NATION'S BUSINESS



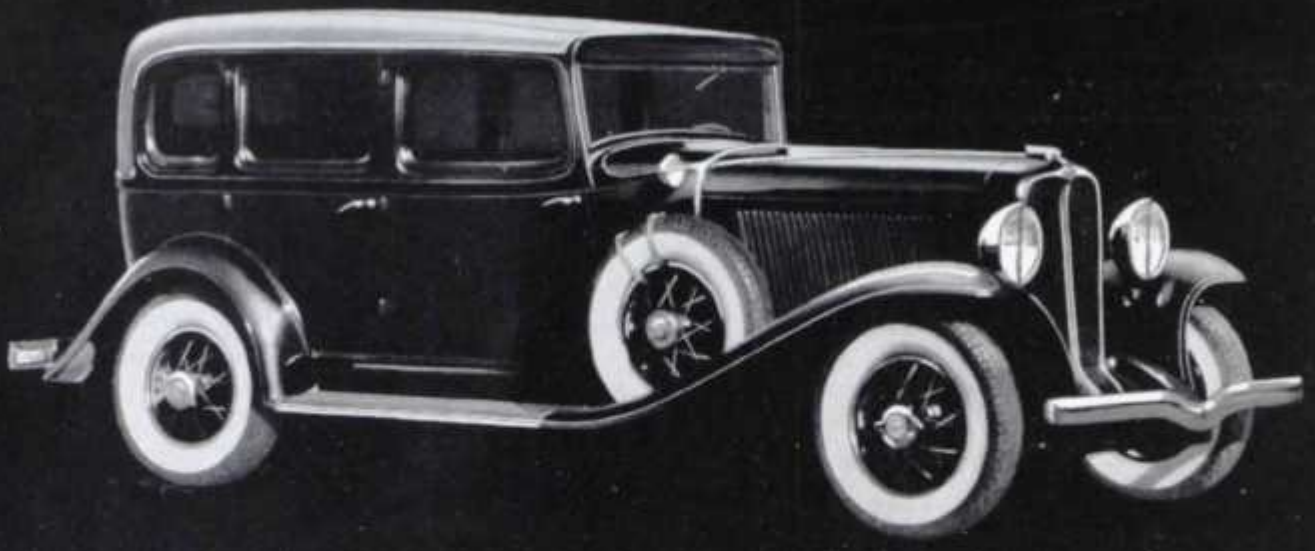
MORE THAN 320,000 CIRCULATION

MARCH 1931

CHANGE—YOUR GREATEST COMPETITOR

By Raymond Willoughby





It has remained throughout all history, the most prized of man's possessions—a Good Name! Mere money cannot purchase it, nor can this surpassing reward be had for the claiming. To be won, it must be deserved, and it can be held only through keeping faith. Five brand-new Straight Eight Models have been created, not simply for the temporary aim of excelling competition, but for the enduring purpose of adding new luster to, and wider confidence in, the good name of Auburn.

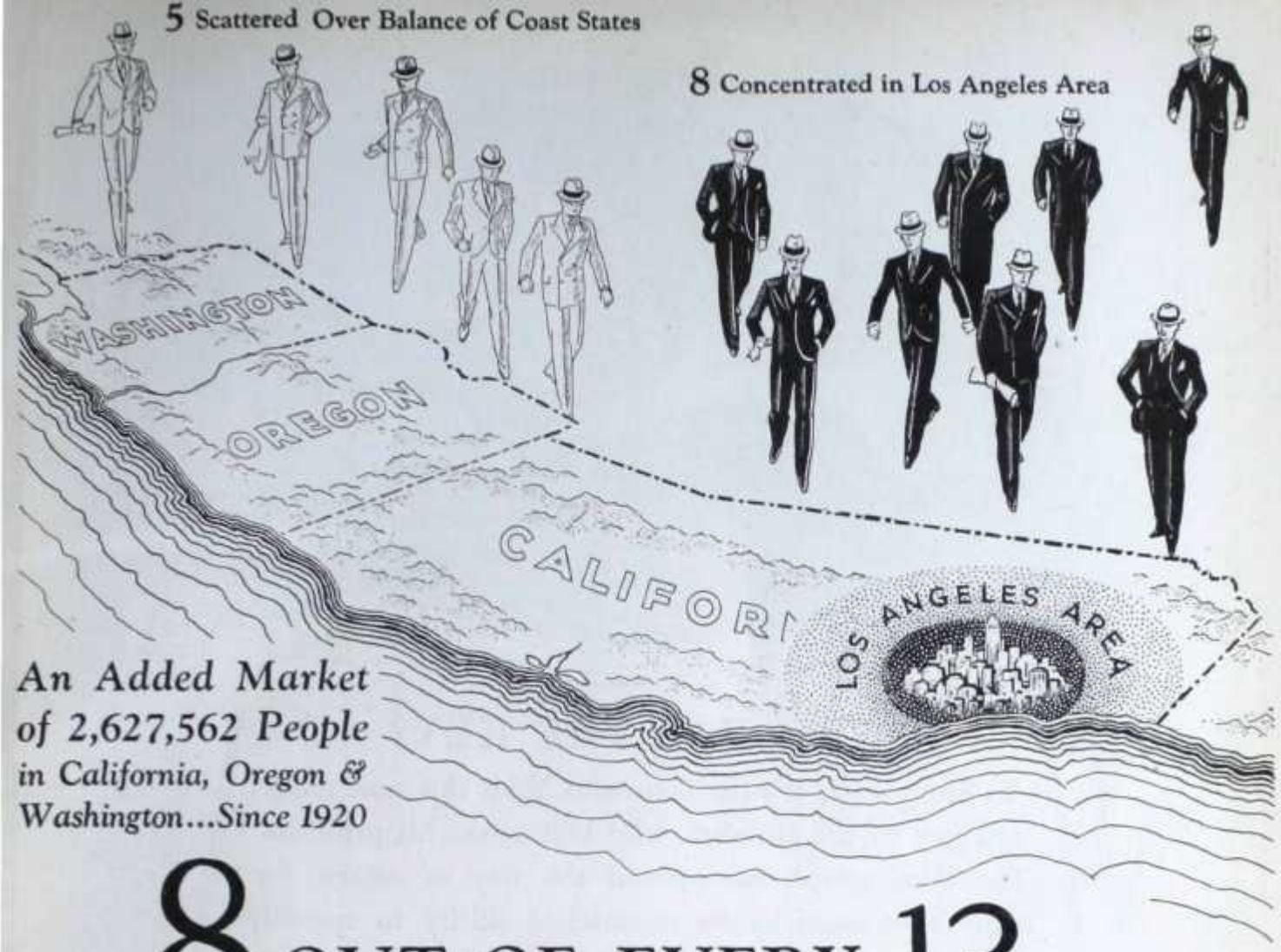
All Custom Models Have Free Wheeling

AUBURN AUTOMOBILE COMPANY, AUBURN, INDIANA

AUBURN

POWERED BY LYCOMING

Custom models 8-98A: 5 pass. 2-door Brougham $1145; Business Man's Coupe $1195; Convertible Cabriolet $1245; 4-door Full Sedan $1195; Convertible Phaeton Sedan $1345. All custom models include Free Wheeling. Standard models 8-98: 5-pass. 2-door Brougham $945; 4-door Full Sedan $995; Convertible Cabriolet $1045; Convertible Phaeton Sedan $1145; Business Man's Coupe $995. All prices f. o. b. Connersville, Indiana. Equipment other than standard, at extra cost.



An Added Market of 2,627,562 People in California, Oregon & Washington...Since 1920

8 OUT OF EVERY 13 CAME *to* LOS ANGELES AREA

Eliminating those who were born on the Pacific Coast, 2,627,562 actual or potential customers you formerly served in other parts of the country, moved to California, Oregon and Washington in the ten years between 1920 and 1930 ... (see U. S. 1930 Census).

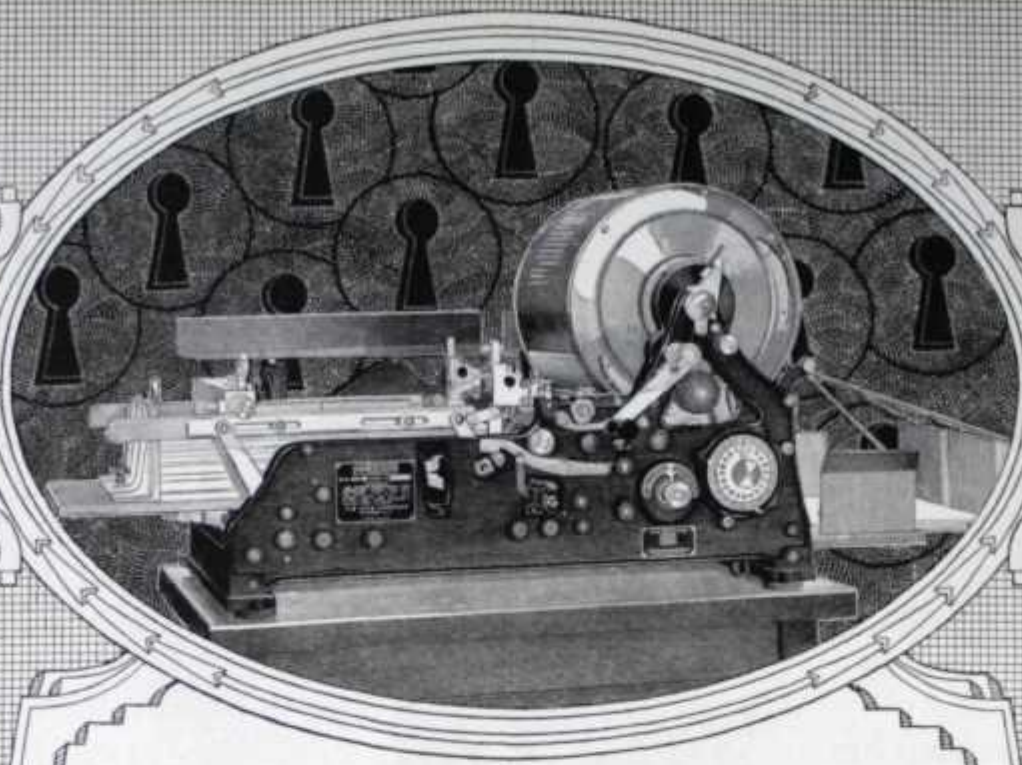
62% of this new and additional Pacific Coast market (1,643,881—or 8 out of every 13) came to the immediate trading area of Los Angeles... 38% (5 out of every 13) scattered over the entire remainder of the 3 Pacific Coast States... which includes all that territory north of Los Angeles' area to the northermost limits of Washington.

Manufacturers who would command this great Western Market will at once appreciate the advantage of locating their Pacific Coast plants in Los Angeles County where the greatest concentrated population in the entire West may be most economically served.

Industrial LOS ANGELES COUNTY

Address: Industrial Dept.,
Los Angeles Chamber of Commerce
Los Angeles, California

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AUTOGIROS ARE NOW A FAMILIAR SIGHT FLYING OVER NEW YORK AND OTHER EASTERN CITIES

The First Public Announcement of the AUTOGIRO

It is with pride that we can make the statement, officially and publicly, that the Autogiro is proved and demonstrated, beyond question, as a practical, greatly advanced type of aircraft.

Nearly ten years of intensive laboratory and experimental work with 70 different models; over one hundred and twenty-five thousand miles of actual test flight here and abroad, have so developed and proved the Cierva theory that it is possible for the design and production of Autogiros to be undertaken with foreknowledge of the results to be obtained.

The tremendous national attention aroused by the Autogiro, especially during the last two years since its further development was undertaken in this country, has caused great pressure to be brought to bear upon its sponsors for a public statement. We have been unwilling to make such an official announcement until it could be stated without qualification that the Autogiro was ready for commercial development.

The soundness of the theory of the Autogiro was actually proved by its first successful flights in Spain in 1923.

Rapid progress in the practical application of the theory was marked by increasingly sensational flights throughout each succeeding year—including its first cross-channel flight and a 3,000 mile trip around Europe in 1928.

Since 1928 Autogiros have flown almost daily in this country. They have repeatedly shown their unique flying characteristics at the leading airports of the East and before many private groups of civil and government aviation officials.

Cierva himself flew an Autogiro in its first important public demonstrations in America at the 1929 National Air Races at Cleveland. Tremendous impetus was added to public interest by the three Autogiros which were a regular daily feature of the 1930 National Air Race Program at Chicago.

With public enthusiasm growing in proportion to the more and more commonplace sight of Autogiros in the air, its sponsors have been increasingly urged to release the Autogiro for commercial production.

Possessing ample resources, however, they have been able to carry the development forward without undue haste and with a view to the best interests of aviation as a whole. No element of financial promotion has been involved.

We can now launch the Autogiro, fully satisfied with the solution of the major engineering problems that have been encountered. We are confident that the average person can contemplate operating the Autogiro with assurance comparable to that experienced with the automobile.

The Autogiro Company of America is not a manufacturing or selling company. It is solely an engineering and licensing organization. It owns and controls, exclusively, all Autogiro patent rights in the United States. Manufacturing companies of high standing will be licensed to build Autogiros with the full co-operation of our engineering staff.

CHARACTERISTICS

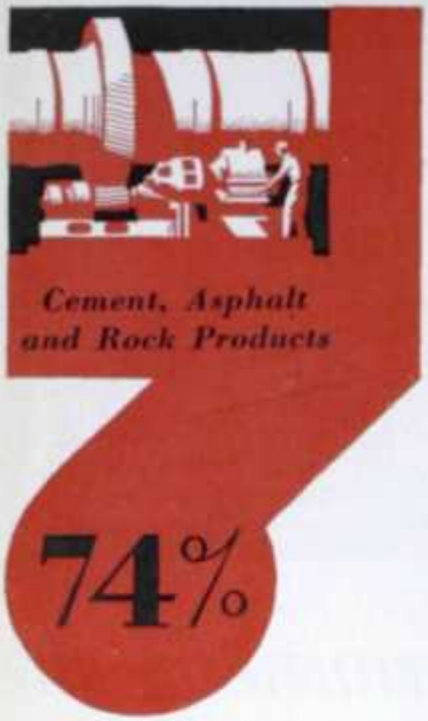
The Autogiro differs basically from all other heavier-than-air craft in the source of its lifting capacity. This lift is given primarily by four rotating blades which take the place of the familiar wings of an airplane. There is no time when this supporting rotation of the blades can be stopped while the machine is in the air, as their motion is produced solely by wind pressure caused by the movement of the Autogiro in any direction, climbing, level flight, gliding or descending vertically. The supporting rotation of the blades is entirely independent of the engine, whose sole function is to propel the Autogiro.

The Autogiro presents flying characteristics hitherto impossible. It can take off at low speed after a very short run, and immediately assume a steep-climbing angle. It can fly well over 100 miles per hour or as slowly as 20 miles per hour. It can be brought momentarily to a standstill, and hover. It can bank and turn slowly without fear of loss of forward speed. It can glide or descend vertically at a speed less than that of a man descending in a parachute, and with virtually no forward speed even with a dead engine. Above all, it cannot fall off into a spin from a stall. As a result, little operating skill is required.



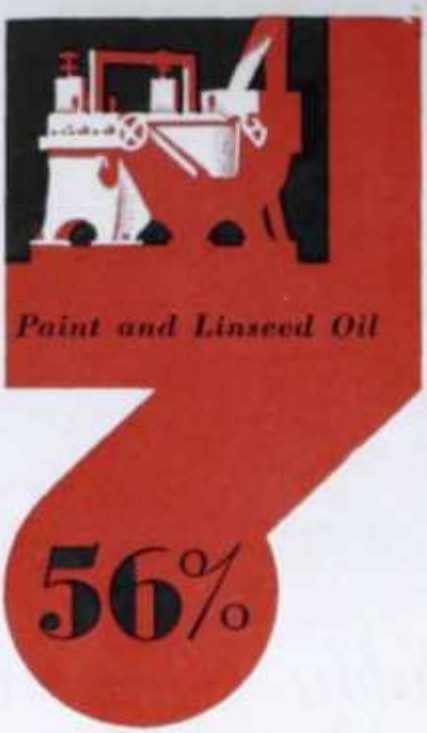
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Over 6 billion dollars' worth of building construction represents an average year in the United States. This huge investment includes building materials, supplies, and labor.



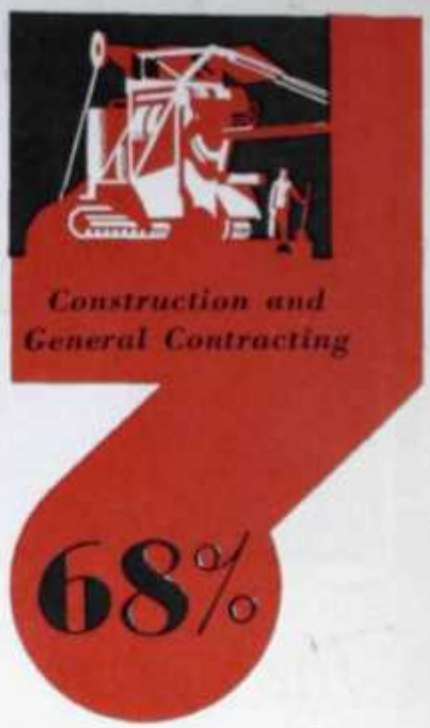
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Paint and Linseed Oil

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Construction and General Contracting

68%

of the foremost* companies in these 3 great divisions of the building industry use Gargoyle lubricants for their more important machinery.

Building construction is another one of America's greatest industries which shows Vacuum Oil Company lubrication leadership. The largest companies manufacturing building materials, as well as the largest construction companies, use many costly labor-saving machines. Their continuous operation and long life must be assured by correct lubrication.

Executives in every branch of industry using valuable machinery find Gargoyle lubricants and Vacuum engineering service aid continuously in keeping down production costs. Our 64 years of lubrication experience in world-wide industry can help your plant personnel achieve varied benefits and economies.

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NATION'S BUSINESS for March

VOLUME 19 NUMBER 3

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As the official magazine of the Chamber of Commerce of the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

SUBSCRIPTION RATES: Three years, $7.50; one year, $3.00. Please notify us promptly of change of address—Nation's Business, Washington, D. C.



Irving Trust Company Building at One Wall Street, New York

New Surroundings . . . New Opportunities For Service

ROUNDING out the eighties year since the opening of the first Irving Bank in 1851, the Irving Trust Company in the next few weeks will occupy its new headquarters building at One Wall Street . . . one of the most advantageous sites for banking purposes in this country.

This will result in the consolidation in the heart of New York's great financial district of several important Irving activities which heretofore have been conducted in separate locations.

In close proximity to the new building are headquarters of most of the large New York banks, many of the foremost business organizations in America, the Federal Reserve Bank, the New York Stock Exchange and the Curb Exchange. Nearby also are the Cotton, Produce, Coffee, Metals and other commodity Exchanges.

In new surroundings and with enlarged opportunities for the prompt and efficient handling of business, not only in New York City but throughout the world, the Irving enters a new era of greater usefulness to its customers.

IRVING TRUST COMPANY

New York

When writing IRVING TRUST COMPANY *please mention Nation's Business*

THIS MONTH'S COVER

Painted by Edgar F. Wittmack

INK-SMUDGED hands with calloused, nimble fingers. They gave the world the gift of knowledge. They came first into the hopelessness of the Dark Ages—bringing light. They found the learning of the centuries mouldering in archives. They brought it out. They flung copies across the world that the poorest man might read and be spurred to understand.

They awakened the urge for education. A world which could not read because it had no books came up from the depths of illiteracy. The printers had put learning at its fingertips. The way was opened for common men to share the wisdom of the wise.

Men born to serfdom rose to places of power. Vicious social barriers collapsed.

Today the ability to read is the commonplace privilege of the masses. The ink-smudged hands, aided by intelligent machines, are still holding aloft the torch of enlightenment. They set down the acts of heroes and of cravens, of statesmen and of demagogues, of sages and of fools, that mankind may read and judge.

They are anonymous and unheroic. But generations yet unborn will owe them much. On their skill depends a greater civilization and a record of the times in which they lived.

Next Month

A BULWARK behind which 10,000 employees went contentedly about their work, knowing their jobs were safe whatever the gyrations of the business cycle, is described by Herbert Corey in the April NATION'S BUSINESS. He tells about a factory where $32-a-week workers retired with thousands of dollars in the bank. All because of a new "plan." It sounds like Utopia and perhaps it is—but is there any reason why your business shouldn't be Utopia, too? Maybe this article will point the way.

NATION'S BUSINESS is constantly asking leaders in their fields, "What's new?" These men watch carefully the changing patterns of business. Through NATION'S BUSINESS you may avail yourself of their observations and experience and be ready to meet new conditions, just as the company of which Mr. Corey writes was ready for the recent depression.

To a Five Thousand Dollar Man who would like to be making $10,000

MEN who are satisfied with routine salary raises will not be interested in this advertisement. There are many sources from which they can get the sort of training that will satisfy their modest ambitions.

Men, on the other hand, who are interested in doubling their earnings will find in this page much food for thought—and for action.

The training of the Alexander Hamilton Institute was designed for men who feel instinctively that their proper place is among those who *pay* wages instead of receive them—whose biggest earnings come out of the *profits* of the businesses in which they are engaged. Its mission is to fit them for these more profitable positions in a *shorter* time. And the results of its training are measured not in slowly rising salaries, but in incomes doubled and tripled in a few years.

Heads of businesses all over the country are sympathetic with the Institute's work, because it helps to develop the executives they so sorely need. Here are just a few of the cases of increased income that our subscribers have told us about in the last few months. Their names are all on file at Institute headquarters:

SUBSCRIBER A.
Was Works Engineer at $4,200.
Now Vice-President and General Manager at $18,000.

SUBSCRIBER B.
Was Manager at $3,600.
Now Regional Manager at $15,000.

SUBSCRIBER C.
Was Production Manager at $4,800.
Now President at $21,600.

SUBSCRIBER D.
Was Production Manager at $2,400.
Now General Manager at $8,400.

SUBSCRIBER E.
Was Business Manager at $2,400.
Now General Manager at $20,000.

Here's further proof that this training pays

Some of the presidents of corporations who are enrolled are William Wrigley, Jr., President, The William Wrigley Jr. Company (Wrigley's Gum); Thomas H. Beck, President, P. F. Collier & Son Company; Francis A. Countway, President, Lever Brothers Company (Manufacturers of Lux and Lifebuoy Soap); Edwin A. Fuller, President, Fuller Construction Company; Roy Howard, Chairman of the Board, Scripps-Howard Newspapers; Charles E. Hires, President, Hires Root Beer Company.

The judgment of such men is an argument stronger than anything we could write.

Are you in business for your health?

Money isn't everything. But we will all admit that income is after all a pretty accurate measure of success in business.

There is many a man of real ability who is kidding himself into contentment with his progress simply because he is making more money than some of his friends. He is satisfied with a five or ten thousand dollar salary when with a little added *knowledge* he could easily be making ten or twenty thousand.

Superior knowledge is behind every business success. And the absurd part of it is that you have to know only a *little* bit more than your competitor to make a *lot* more money.

How to get the facts

Where can you get this extra knowledge that can make such a tremendous difference in your business life? We invite you to send for a book that tells where, and how. It is a book of facts—facts about the Institute's training. It is called "What an Executive Should Know."

This book costs nothing because it is worth only what you *make* it worth. It is a book that should be read by every man who expects to win a secure place for himself in the next five years.

Will you send for it? The coupon below will bring it to your desk.

To the Alexander Hamilton Institute, 427 Astor Place, New York City. (In Canada address Alexander Hamilton Institute, Ltd., C. P. R. Building, Toronto.)

Send me "What an Executive Should Know," which I may keep without charge.

NAME

BUSINESS ADDRESS

.....

BUSINESS POSITION

ALEXANDER HAMILTON INSTITUTE

When writing to ALEXANDER HAMILTON INSTITUTE *please mention Nation's Business*

Even the most successful businesses make mistakes

..but they prepare for them

THE business organization that does not make an occasional mistake—even some important ones—does not exist. The business that survives and stands a chance of coming out on top is the one which takes the possibility of such errors into consideration and makes provision for them. • No amount of foresight and judgment will take the place of adequate financial resources. Nor is it enough that a balance sheet shows entries indicating reserves for this and that; the reserves which help a business concern through a crisis are those which take the form of liquid assets specifically set aside for emergency use. They must provide safety, sufficient liquidity, and as liberal a rate of return as is consistent with these requirements. • American business concerns are their own bankers today to an extent that has never been true at any previous time in our history. In 1930, judging by our own experience, they bought more bonds—the ideal medium for reserve purposes—than ever before. The probabilities are that they will buy even more as the years go on—and as the wisdom of this policy becomes more widely recognized. • An interesting discussion of this general subject will be found in our booklet, *Business Reserves*, a copy of which will be sent to any business executive requesting it upon his firm stationery.

HALSEY, STUART & CO.

INCORPORATED

CHICAGO, 201 *South La Salle Street* NEW YORK, 35 *Wall Street*

AND OTHER PRINCIPAL CITIES

■

THE PROGRAM THAT DOES MORE THAN ENTERTAIN

Every Wednesday evening you may increase your knowledge of sound investment by listening to the Old Counsellor on the Halsey, Stuart & Co. program. Broadcast over a Coast to Coast network of 38 stations associated with the National Broadcasting Company. Music by symphony orchestra.

9 P. M. Eastern Time
8 P. M. Central Time
7 P. M. Mountain Time
6 P. M. Pacific Time

BONDS TO FIT THE INVESTOR

NATION'S BUSINESS
★
A MAGAZINE FOR BUSINESS MEN

Warning! Quack Remedies Ahead!

IT IS commonly observed that the chief product of the depression is a flood of prescriptions, most of which provide for some form of government action. In our zeal to accomplish desirable ends, we lose sight of what government really is. We fail to remember that it is a device which collects about one-sixth of our earnings, and expends them wastefully because of the natural inhibitions of political administration.

Instead, we build up a fictitious demigod, a survival of the medieval fetish that "Government" (always spelled with a capital by Washington) is endowed by divine right with a supernatural power and wisdom.

As a result, when "something ought to be done," the length and breadth and depth of our resourcefulness and imagination is "by the government."

Muddied thinking is the rule. A sample comes to mind. A group of earnest young men sends out a "brief for state unemployment insurance systems with half the cost to be paid by the federal government." The argument sets forth, among other things, that

> America is the only nation with enough income to insure all a comfortable living.

And further on:

> Seventeen nations now have public unemployment insurance for 48 million workers.

No one can deny the truth of those statements. But should they not be reversed with no violence to logic and perhaps with more accuracy as to conclusion, like this:

> Although 17 other nations have public unemployment insurance for 48 million workers, yet America is the only nation with enough income to insure all a comfortable living.

If we alone are so well off, there must be a basic reason. Social progress there has been, the envy of the elder nations. But such progress has been made on the truly hardpan American principle, namely, that social progress cannot proceed faster than material progress.

Not so long ago Australia was held up by idealists as a shining example of what government should do in taking over the personal responsibilities of its citizens—from running their businesses to doctoring them when they are sick. But Australia is bankrupt today, and those who applauded its social program then now ignore the havoc wrought by a misguided paternalism.

There are many things social we would like to do quickly—Americans are proverbially impatient—but all such undertakings must depend upon the state's ability—which is the individual's ability—to pay for what it wants.

Government, like the individuals whose composite it is, must pick and choose from innumerable projects which press upon its benevolence, if those who ultimately must pay are to preserve their own economic independence and ability to pay.

No solvent state can be built upon a bankrupt citizenry.

But there is a higher principle involved.

One would think from the welter of paternalistic proposals that all had agreed that the price we pay for individual liberty is too great, that we must be protected against ourselves. The hazards of failure are to be taken away, but at a price—with them are to go the chances of success.

The road we have come was paved with a different philosophy. We built an organized society with guarantees that membership on its different levels is determined solely by individual initiative. We have not said to our young men and women, "Don't be concerned, the State will take care of you." We have said to them, "Go into business, or the professions, or politics; accept the hazards, make sacrifices of time and brain and energy, do the best you can for yourself. Your reward will be the full measure of your contribution."

They are free to choose their careers, and because of that we are known as a progressive people.

These principles leap from the bright pages of the nation's history. As the laudable search is continued to promote social welfare, there should be care not to subsidize idleness, destroying incentive; not to complicate by bureaucratic and paternalistic schemes the free play of individual responsibility, which is the natural offspring of individual opportunity.

Merle Thorpe

SINK *or* SWIM?



The flood tide is on! Some are unprepared. Other far-seeing concerns have already hoisted sail . . . are moving into a significant lead over competition.

These wide-awake Captains of Industry have plotted an exact course to take full advantage of the incoming tide by outfitting themselves with plant facilities designed to meet the economic conditions of the *new industrial age.*

Austin has been taken aboard as pilot by a number of these aggressive firms. While no miracle makers, Austin Engineers have been consistently progressive in developing new routes to profit . . . with plants laid out for continuous flow of materials . . . automatic line production . . . "controlled conditions" plants . . . facilities capable of turning a profit while running at fractional capacity.

These developments are typical of the dynamic forces that threaten to explode about the ears of organizations tradition-bound.

These ideas in action may completely revolutionize a company's manufacturing, as in the case of the much discussed windowless, "controlled-conditions" plant . . . a $1,500,000 project of Austin design and construction . . . already under roof.

An interview granted to Austin, with permission to look over your facilities, will cost you nothing . . . may lead to unexpected decisions on your part . . . decisions which will have an all-important bearing on your profits for 1931 and for some years to come.

If your door is open to new ideas, why not phone, wire or mail the memo . . . no obligation?

THE AUSTIN COMPANY

Engineers and Builders . . . Cleveland

NEW YORK CHICAGO DETROIT NEWARK
PHILADELPHIA CINCINNATI PITTSBURGH
BOSTON ST. LOUIS SEATTLE PORTLAND
THE AUSTIN COMPANY OF TEXAS: DALLAS

THE AUSTIN METHOD

THE AUSTIN COMPANY OF CALIFORNIA, LTD.:
LOS ANGELES, OAKLAND AND SAN FRANCISCO
THE AUSTIN COMPANY, LIMITED:
TORONTO AND VANCOUVER, B. C.

Memo to The Austin Company, Cleveland ☐ Send copy of booklet "101 Questions That Should be Answered Before You Build."

☐ Our Door is Open to New Ideas! We are interested in a project of approximately sq. ft.

Location Individual Firm City NB-3-31

When writing to The Austin Company *please mention Nation's Business*

NATION'S BUSINESS

Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor

MARCH, 1931 VOL. XIX No. 3

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

Some Ideas of Business Statesmen

★

BUSINESS statesmen were active in February. Owen D. Young found a single day time enough to suggest to one committee of Congress a plan for a partial bonus payment in cash and to another that all commercial banks in the country be brought into the Federal Reserve.

Melvin A. Traylor, president of the First National Bank of Chicago and one of the organizers of the Bank for International Settlements, went to Dallas, in the state where he was graduated from law and politics into banking, to propose that an economic council be set up, which should among other things work out a "real wage," responsive to the rise and fall of prices.

To Nationalize All Banks

★

MR. YOUNG'S plan for bonus payments may have been acted upon by the time this is read. His proposal for nationalizing and bringing into the Federal Reserve all commercial banks will provoke much discussion, but little action.

To many of the objections sure to be raised against bringing all commercial banks under one federal control, Mr. Young was ready with answers.

He regretted any further invasion of the rights of the states by the Federal Government but he expressed wonder that in the "face of such gravitation toward Federal authority the banks hadn't been drawn in, too."

Another inevitable question is: "How shall the funds held as savings and for trust purposes be segregated from commercial deposits?" Mr. Young had the answer:

"I believe that banks for savings and for the administration of trusts or other special time funds should be State banks, and that these powers should not be included in national banking charters."

One may not agree with Mr. Young but no one can deny to him courage to say what he believes and a clarity of expression that makes what he says understandable to the simplest of us.

A Wage Based on Living Costs

★

THIS would be a livelier and a more livable world no doubt if all the things that are logical were also practicable. The Dallas speech of President Traylor of the First National of Chicago may be a case in point.

He would have labor paid "a real wage," a wage based on the cost of living, a wage that should go up when those costs rise and down as those costs drop.

Mr. Traylor proposes a conference of representatives of business, of government, of labor which would consider this and other proposals of vital concern to the welfare of the nation. Their's would be the difficult task of setting up a measure for the "real wage" which Mr. Traylor proposes.

One difficulty would be the disparity between declines and increases in wholesale and retail prices and the lag in time between the fluctuation of the two figures.

Colonel Leonard Ayres says in a recent bulletin of the Cleveland Trust Company :

> The decline of wholesale prices in this depression has been about 18 per cent, and that of retail prices only about nine per cent.

It would seem unfair to a worker to reduce wages because wool and wheat are low if clothes and bread are at the same old levels.

Synthetic Consumption

★

IN HIS Dallas address just referred to, Mr. Traylor had this to say about increases of production and consumption:

> Synthetically we are eliminating workers, whereas synthetically we have found no method of increasing consumption. To my mind this fact challenges the unselfish consideration of the management of American business.

But aren't we, Mr. Traylor, doing something synthetically to increase consumption when we display and ad-

vertise new and desirable goods? In 1895 there were four automobiles registered in the United States. In 1930 there were 26,718,000. Surely something happened in that third of a century to increase consumption whether it was done synthetically or otherwise.

Drowned Under Files

★

OUR old friend the Plain Talker came in the other day. Obviously there was something on his mind and it was not depression. His business was set back a little but he'd managed to get ahead in 1928 and 1929 and he wasn't going to worry.

No, he said, it's not the depression that's upsetting me. We'll get over that. We always have. It's something bigger. I've figured out what is going to end our western civilization. I know that's an important subject and volumes have been written about it, but I'm probably the one man who knows.

No, it isn't doing without rum or doing with it, it isn't the automobile or the recklessness of modern youth or companionate marriage or the decline of the home. No sir, not one of 'em.

What is it? It's *files!* I haven't got the complete statistics and I can't give the exact date but within the next three or four generations or maybe sooner, we shall all be smothered under files.

Just take one thing: I have three or four life insurance policies, some accident insurance, some fire insurance. It takes a file drawer or two to keep my end of the correspondence, receipts, notices, etc., and every time the company sends me anything I suppose it files a copy of it. And there must be more'n a hundred million policies in the country. Think of it!

And court cases. All the papers that are filed and copies kept in lawyers' offices. And card indexes. I'll bet my barber's got a card index and looks up to see when he cut my hair and how he did it.

And governments! Did you ever walk around this Washington City of yours and peek into basement windows. Why, there are miles and miles of files—and growing all the time.

Just think what the war did. We had maybe four million men in it one way and another and I'll bet the War Department and the Veterans Bureau and maybe three or four other places have got a file for each one of 'em.

No sir, if something isn't done we'll all be drowned in a sea of paper and, I warn you, it'll start right here in Washington.

Common Sense in Legislature

★

A NEWS item from Atlanta says that a woman legislator recently introduced in the House of Representatives a resolution proposing a tax of $1 on red neckties, variegated socks, and colored "shorts."

Letters of indignation began to arrive, ranging from one that declared the whole thing "savors of the intolerance of four centuries back," to another that saw international relations endangered by the tax if it were applied to Scotch plaids.

And the legislator explained: "What this country needs most is a sense of humor."

She might perhaps have added, "and what some legislators need is less sense of humor and more common sense."

A Time to Go Shopping

★

IF A has a dollar and B has something that A wants, B can get A's dollar—provided, in these times, that A is sure his dollar is getting a dollar's worth or perhaps a dollar and ten cents' worth. We stress "in these times" because in a day of elation and inflation when A is confident that another dollar will come along to take the place of the one he spends, he is less moved by price.

Local advertisers and chambers of commerce are finding that out. Two interesting instances come from Troy, New York, and Rutland, Vermont.

In the former city the Bryon G. Moon Company, an advertising agency, with the Troy Chamber and the Troy newspapers started a shopping survey of the city. When there wasn't much reduction they said so, when there was they said so and for the most part they found that there was. In Troy the reduction was from 15 to 20 per cent on most goods, including such varied products as women's underwear, paints (house not face), silverware and food. Men's clothing was a reported exception.

In Rutland the local Chamber called on the stores for reports and the Rutland *Herald* printed them. Here, too, the result was to show lower prices with men's suits not an exception but following the current.

Both surveys are bringing proof that it is still possible for B to capture that dollar of A's to which we referred in the opening sentence.

From the Daily Mail

★

THERE are almost as many ways of preventing future depressions as there are explanations of those through which we have passed.

Here are a few gathered from the letters that descend upon an editor:

I am not advocating cutting wages, if the workman can produce a fair profit for his employer, but if it is impossible for the workman to do this on account of the wages being too high then there is no other way to make a success than to cut wages as no one can pay labor more than it produces and make a success.

The Federal Government to appropriate approximately two billion dollars, calling it a Stability Reserve Fund.

This appropriation can be procured by floating a Stability Reserve Loan, and to be used for the purpose of lending this money to the unemployed people of this country in amounts equivalent to one-half their normal earning power, but not to exceed $30.00 per week, maximum, restricting these loans to the married men who have families of one or more children.

Give all the wheat purchased by our government last year to the poor people.

The plan to expedite the restoration of national prosperity provides for and includes a series of slogans which are alliterative, comparative, descriptive, suggestive and some diversified. For example: "Encouraging Extensive Employment Enables Everlasting Enjoyment;" "Musicians Make Merry Many—Brisk Buying Boosts Business;" "Hogs Have Hams—Hustlers Have Homes;" "Prudent Purchasing Promotes Prosperity," etc.

A General Staff for Industry?

★

ON the same day that Dr. John S. Dewey urged that Senator Norris head a new party and gave as one of his reasons that both the old parties stood for "rugged individualism" as against "social planning and social control," there appeared another of the many proposals we have had of late for the establishment of an Economic General Staff which should stabilize employment, control production and do a hundred and one other desirable things.

NATION'S BUSINESS has no intention of discussing politics or parties, new or old, save only to suggest that

"rugged individualism" is a quality of American life which we should be slow to abandon, and to add this thought:

In all our talk of so-called economic general staffs, in all our schemes for planned control of industries, in all our proposals for repeal of the Sherman Act with greater resulting freedom of business combination, how can we escape that other danger of increasing an excessive government regulation?

Professor Dewey, when he sets "rugged individualism" against "social planning and social control," presumably looks to control through increasing legislation, through new boards and new bureaus to do the planning and effect this control.

Can those who vision an economic general staff stabilizing industry see any way of carrying out the staff plans except by government? Unless it is the way of "rugged individualism" which is leading dozens and hundreds of business leaders to try in their own plants and at their own expense plans which may lessen unemployment not only now but in the future.



The Generous Giver

Air Mail on a Mileage Basis

★

HAILED as the most progressive piece of aviation legislation adopted since the passage of the air commerce law, the new McNary-Watres Act bore immediate fruit in the award of five contracts and the extension of two contract lines. Twenty other contracts were affected by the act. If not by design, then by happy accident, the first contracts were awarded on the twelfth anniversary of the inauguration of the pioneer air-mail service between New York and Washington, which began operations on May 15, 1918.

Under the McNary-Watres law, air-mail payments to contractors will be made on a mileage basis, the rate being graduated according to the amount of space in contract, with a maximum rate of $1.25 a mile for 2,000 pounds of space. Under the old Kelly Act, contractors were paid on a poundage basis, the rates ranging from $3 a pound to 78 cents a pound, regardless of the distance the mail was carried.

Air passenger lines throughout the country without mail contracts have found profit difficult. Now they are in better case through opportunity to qualify for contracts on the basis of a specified transportation performance.

Changing the method of payment from a poundage basis to a mileage basis is expected to prevent inequalities in payments and give relief to lines that lost money under the old system of compensation. It goes without saying that whatever helps the air lines helps the entire aviation industry.

Our Socialists in the Senate

★

TURN to "Who's Who" for 1916 and read: "Spargo, John, author . . . socialistic lecturer, writer and worker." It's the same John Spargo—no longer a socialist—who, aroused by the controversy over the Federal Power Commission, writes as follows in the Chicago *Tribune:*

> Important as the constitutional issue involved is, in the controversy between the Senate and the President over the appointments to the Federal Power Commission there is an even larger issue. Back of the attacks upon the President there is the determination of a compactly organized group to undermine the existing industrial system and to set up in its place a system of government ownership and control.
>
> In the list of vice presidents of "The Public Ownership League" I find the names of four senators—LaFollette, Howell (A.P.), Davis and Dill. Thus it is seen that a propaganda which is directed against the economic system of the nation has its leadership in the Senate of the United States.
>
> Let us suppose that the responsible leaders of the great electric light and power industry—the so-called power trust—had sent out letters to people all over the United States calling upon them to wire the senators from their several states asking them to protect the industry and defeat the attacks made on the Federal Power Commission; suppose, further that this appeal to the people were issued under the direction of a group of senators who believed in defending American industry—does anybody doubt that there would be a great outburst of indignant protest from the self-appointed "leaders of the people"?

Mr. Spargo ought to know that whatever is done for the cause of government ownership is always right, who-

ever does it and however it is done. Conversely anything a public utility may do in its own defense is *per se* always wrong.

A Cure for Prosperity ★

A SUBCOMMITTEE of the Senate's Banking and Currency Committee is hunting for ways to prevent recurrence of panics and depressions. Joseph A. Broderick, state bank examiner of New York, was a witness. Asked as to possible ways of preventing speculative outbursts, he replied:

"There is no way to curb that; it is a fever in the blood and is only lying dormant now."

Not long ago the writer asked a leading American economist:

"Is it possible to prevent recurrent depressions?"

"Yes," was the answer, "but we don't want to. We are essentially a gambling nation, though perhaps a better word than gambling would be venturesome. We want to try for big things, to make the little business big and the big business bigger. Any move towards restriction when times are outwardly good meets with small approval."

Another economist gave it as his reasoned opinion that on the whole American business had gone further and fared better because its progress had been a series of spurts followed by temporary periods of slowing up, than it would if it had been content to plod.

Not long ago a trade association executive was asked:

"Well, are your people going again through the experiences of 1928 and 1929?"

"I've no doubt they will," he said. "Things are improving now and will continue to improve. In a year or two or three, one man will say:

" 'I've got the best design in the industry this year.'

"Another will say:

" 'I've got the best advertising program.'

"And a third will say:

" 'I've got the best sales force.'

"And each will add 'I think I'll get more than my share of the business this year.'

"And you can guess what happens."

If the Senate's wiseacres find out the remedy for depressions and administer the dose will they also cure the periods of prosperity that precede them? In other words can we distinguish prosperity from inflation and prevent the latter without discouraging the former?

Less Government in Business ★

FACED with one of the worst panics in the history of the United States, Martin Van Buren in 1837 summoned a special session of Congress and said to it:

"The less Government interferes with private pursuits, the better for the general prosperity."

Claude M. Feuss quotes it in his life of Daniel Webster and says it had "a wisdom which his generation did not appreciate but which a modern business man can understand."

A sentiment which American business translated into direct action when it declared through a National Chamber referendum:

"That the Muscle Shoals project should be sold or leased, as is, on the best possible terms."

This clear-cut assertion of the Government's duty has met approval all over the country. Here are two quotations from a sheaf of editorials:

From the Philadelphia *Public Ledger:*

This nonpartisan vote reflects the opinion not only of leaders of business and commerce but of the rank-and-file, who believe that the Government should attend strictly to its own business.

From the Hartford, Connecticut, *Courant:*

The referendum held by the Chamber of Commerce of the United States among its members on the questions of Federal operation of the Muscle Shoals project and Federal regulation of water power indicates how strongly representative business interests generally object to the increasingly paternalistic attitude of the Federal Government in matters that are essentially of concern only to private interests or to the States.

And ex-President Coolidge summed it all up:

For the United States to go into the electrical business would be a gross misuse of its powers and involve it in all kinds of political abuses. The thing to do with Muscle Shoals is to dispose of it to private interests with suitable restrictions.

Give Work; Not a Dole ★

THE United States Chamber has announced the formation of a committee to study methods to provide practically continuous employment throughout the year. A worthwhile study, one on which there should be no delay, and a field in which there is plenty of competition. In eight states bills have been introduced providing for unemployment insurance, while in at least three other states commissions are proposed to investigate the subject. There will be little argument in this country that the best remedy for the disease of unemployment is to prevent it.

Competition of Change ★

AT ONE time the publishing and advertising industries had only a few such battle grounds as these:

Newspaper *vs.* magazine.

Morning newspaper *vs.* evening.

Weekly *vs.* monthly.

Quantity circulation *vs.* quality.

And a hundred other questions as to types of copy, color, position, reader interest.

Along came the radio and newspapers, and magazines sat up with a start and asked, "Is this going to drive us out of business? Can we fit ourselves into this new approach to the great American buyer?" While advertisers and their agents asked, "How shall we allot the advertising money to the old and to the new?"

Now a new medium looms on the horizon. "Sponsored" entertainment over the radio has penetrated the buyer's ear, and now "sponsored" entertainment is coming into the moving pictures. We are told that 115,000,000 persons went to picture shows every week last year.

New problems for publisher and advertiser! Truly there is no industry exempt from those factors we have called X forces, the uncontrollable things from without. Change is the great competitor as the Raymond Willoughby article on the opposite page points out.



America is a nation definitely on the move

Change—the Great Competitor

By RAYMOND WILLOUGHBY

Of the staff of NATION'S BUSINESS

DECORATIONS BY DON MILLAR

★ **IF YOUR business is at all concerned about its life extension, it is worth while to brush up your ideas daily and see a new idea man twice a year. On all fronts industry is pushing forward to find new markets. Old firms and new firms which ignore the American demand for change are having difficulties. Those that are keeping the pace must depend on ideas**

IT IS immediately significant that the eagle is our national emblem. The carpet slipper and the easy chair have no place on our coat of arms. America is a nation definitely on the move. "Move on" is more than the directing text of our police departments. It is the most active coin in our national currency.

So characteristic is the itch to keep going that we find an articulate impatience with loafing. "Let's burn all the chairs, divans, davenports, and benches," urges W. A. Blees, vice president of the Oakland Motor Company, and justifies his inflammatory tonic with saying, "If burning the chairs did nothing but make the chair sitters go out and buy more chairs to sit in so they could comfortably complain about poor business, we would at least put a few people back to work making chairs."

Tree sitters, flag-pole perchers, and bench warmers have at times provided exclamation points in the news. But it is apparent that they have not written the declarations of our industrial independence. The business that says "I do not choose to change" is a bad risk, as many bankers and investment companies know to their cost.

Better services, improved products every day win converts from familiar services. Look through the advertising pages of any magazine. How many brands or trade-marks were there 20 years ago—five years ago? Probably the magazine itself is not that old!

A nation is as young as its ideas. Every business has two junk piles. One inside the walls, the other outside. Good times or bad times, depreciation and obsolescence of plant and equipment are always on the job and many good heads have been put together to work out the retirement of superannuated machinery. But it is becoming clear that too little thought has been given to the high cost of outworn ideas.



Radio challenged and movies learned to talk

An engineer of the General Electric Company strikes the keynote of industrial progress by saying, "Know what is best, what trends are, press relentlessly for modernization, install conscientiously, and maintain intelligently."

New attitude

THE American people have a new attitude toward life and the apparatus with which life is lived.



Airplanes challenge older transportation and the autogyro challenges the plane

In the old days a firm that established itself in a general way was rated progressive. Market domination is now only a matter of months. Labor, capital, raw materials, productive processes, marketing facilities can be marshalled quickly. They need only the spark of an idea to energize them into fruitfulness, and ideas are travelling faster and faster. Some day we shall see "new ideas" listed among the assets of going concerns. The business that pleads it doesn't have a chance means that it doesn't have a change maker. Even now an investment rating on "new idea" departments is in progress.

A national investment organization has thought it worth while to report on the "new idea" facilities of the 40 business enterprises included in its portfolio. Notable achievements in savings effected, new products developed, and new industries created are also revealed.

Pointing out that ten years ago there were not more than 200 industrial laboratories in this country, and that today 1,500 companies are spending 200 million dollars a year on industrial research, the report says, "in a decade science has become the mainspring of industry. It has reorganized, expanded, and revitalized modern business and lighted the way to vast industrial realms hitherto unexplored."



Science today is the mainspring of industry

But the ways of the change makers are not always easy. The world must be shown again and again for the old is tenacious. It took 18 years to get the first million automobiles on the road. Two years to get the second million in the public's hands. One year to put the third million in use. But in a generation the national registration has risen to 26 million motor vehicles. It took only seven years to sell 13 million radios, and sales of electric refrigerators multiplied one hundred times in seven years.

America's hospitality to change is everywhere apparent. One-third of the factory output, the word goes, is of goods entirely unknown 50 years ago. A sharper focus of fact is at hand in the General Electric's report that items developed in the last ten years constituted 25 per cent of its sales in 1929.

Call the roll of American industries and you will find that where there is leadership there is change. A crystallized management is no match for a fluid market.

The way of industrial salvation through change is ably exemplified in recent business history. The Union Carbide Company, for an object lesson.

Once Prestolite was its big product. Electric starting and lighting for motor cars cut sales. The company turned to making radio batteries. They sold well. Then the electric radio sets began to dominate. The company went to work on radio tubes, health lamps, and related products using carbon elements. Change, change, change, but the company is still going strong.



The auto industry pays devoted tribute to the spirit of change

That state of mind greatly affects the things they buy and consume. Its expression has been aptly labelled "the American tempo."

"It means," says Earnest Elmo Calkins, "that new ways, new things, new ideas are eagerly spread and eagerly assimilated, and that a semblance, at least, of that smartness which was once the prerogative of the privileged few, is now demanded by virtually all."

The manufacturer, the wholesaler, the retailer, the transportation companies, the bankers, the insurance writers—the whole vast organism that we know as business—must play up to this new national consciousness if profit and permanence are the goals. Business must be synchronized with the pace of today if it is to keep the pace of tomorrow.

Products and services must be seen in a new light by their creators and distributors if the public is to see them in a new light. The change in viewpoint is internal before it can be external. It comes by design. Change is rarely an accident. Patient searching for the better way, the improved process or product is the tried and proved formula. And there is no lack of evidence that organized quest of the unknown has paid its way. The case of the Gorham Manufacturing Company, for example. Edmund C. Mayo, its president, reported that the firm's chemical and physical laboratory saved $125,000 the first year.

"If your business won't support a research department," he said, "go into some other business."

Continuously changing

THE Radio Corporation of America is another great change maker. It began as a holding company for radio patents. Then it licensed builders of broadcasting stations. The manufacture of radio sets and tubes was an easy step. Was an inducement needed for the public to buy? Well, it would provide programs. Were the movies a competitor? Why not go into the theater business, and

take over vaudeville? The Keith-Orpheum circuit was bought. Along came the talkies threatening to kill radio, movies, and vaudeville, and the corporation found a profitable voice. Growth by accretion, advance by absorption, progress by projecting the present. So, too, with General Electric, General Foods, du Pont, and Sherwin-Williams. When the United States Steel Corporation made up its collective mind that cement was a competitor it bought out the Universal Company.

The versatility of the Hercules Powder Company is a case in point. Explosives lost their market at the end of the war, and the company decided to try "naval stores"—rosin, turpentine, and pine oil. Its turpentine campaign aimed at paint and varnish makers fell short. It found that nine million of the 12 million gallons sold annually went over retail counters, chiefly to painters. It learned that turpentine had been sold from the barrel—no brands, no trade-mark, nothing to give distinction. Why not break down the container to five gallon, one gallon, and one quart sizes, package it attractively, put on a distinguishing mark, and go after the consumer? Answered as indicated, sales increased 81 per cent and a larger plant was required.



Even modes in dancing and music are changing

From pots to skyscrapers

AMONG the old industrial faces that have put on new makeup, none perhaps is more remarkable for change than aluminum. Long a mainstay of pots and pans, aluminum and its alloys now figure prominently in the metal working industries. Through the intelligent legerdemain of the change makers, notably the Aluminum Company of America, aluminum has become important in the manufacture of airplanes, automobiles, railway cars and locomotives. Intensive experiment and study have made a place for aluminum in the manufacture of metal furniture, power transmission equipment, oil burners, and spray painting devices.

Aluminum's new place in the construction sun is conspicuously revealed in the façade of the Empire State building in New York City, and in the A. O. Smith building, Milwaukee. Five million aluminum hub caps are now used on automobile wheels. The development of "Alclad," an aluminum alloy, made possible the construction of the ZMC-2, "the world's first all metal dirigible," built at Detroit for the United States Navy. Aluminum paint is a commonplace, yet the ability to change the familiar bluish silver surface of aluminum to desired shades is a fairly recent laboratory triumph. Where color is demanded—as it seems to be in products of every sort—the industrial hue and cry puts a literal emphasis on the chromatic scale.



New steel products are modifying building practices

How new steel products are modifying building practices is a matter of more and more concern to architects, engineers, and contractors. New "rustless" steels are being fabricated into outside wall panels which include the window frame, sash, sills, and even the heating unit. By use of this design, structural sections may be more economically assembled in the shop than on the job.

"Rustless" and "stainless" steels are inviting use where their nonoxidizing properties are decisively valuable, as for chemical storage tanks and filters, for silos, in the preparation of foods, in metal mining and reduction works, in pasteurization processes, pumps and pistons. The idea of all-steel buildings now in a way of practical translation holds important commercial implications for cement, stone, brick, and lumber. Long a mere bearer of burdens, steel has been touched by the change makers and transformed into a thing of beauty.

If one thing cannot be changed to improve sales, perhaps another can. Noses, for illustration. A maker of silverware almost found himself in bankruptcy because the fancy boxes in which his goods were packed smelled bad. The glue was the offender. A change of container restored his ware to good standing.

Pleasant odors help sell

THIS idea of deodorizing is more than an industrial footnote in its relation to leather and linoleum. Laundry soap, wall finishes, and raincoats are taking more and more notice of the sense of smell. Theater interiors are scented and probably it could be demonstrated that houses have been sold by the smell of new paint and varnish. Perhaps it will turn out that some books have been censored more for the odor of their inks than of their contents. The olfactory nerve has been known to control the pocket nerve.

Once it was an industrial fashion to look on by-products as poor relations but not rarely by-products have outdone the main line. The examples are

(Continued on page 152)



Long distance transmission of gas by pipe line is a problem for railroads

SINCE LAST WE MET ★

JANUARY

9 • LOCKOUT which will affect half a million Lancashire cotton workers begun.

UNITED States Steel bookings gained 300,000 tons in December, largest increase in 3 years.

CASH in circulation in United States increased $26,000,000 in 1930 to a total of $4,890,000,000.

12 • BRITISH trade in 1930 declined $1,674,000,000. Exports decreased $794,000,000 and imports $880,000,000.

SALES in department stores in 247 cities dropped 8 per cent in 1930 from 1929.

14 • RATES on time loans in New York lowest in 36 years.

SCHULTE-UNITED, Inc. holding company for the Schulte Five Cents to $1 stores, in receivership.

GENERAL MOTORS sales for December, 1930 were 80,000 as against 40,000 in December, 1929.

15 • RICHFIELD Oil of California in receiver's hands.

UNITED STATES Rubber, Kelly Springfield and three Standard Oil Companies cut tire prices about 9 per cent.

17 • SAVINGS Bank deposits in New York State rose $400,000,000 in 1930.

SALES of 33 large chains were off 1.53 per cent in 1930.

ALBERT H. WIGGIN, chairman Chase National, world's largest bank, urges United States to start a movement to reduce war debts. Thinks moderate wage reductions necessary.

CHICAGO hears that Arthur W. Cutten will move his grain trading activities to Winnipeg because of Farm Board activity.

18 • TRANSCONTINENTAL Western Air announces a 36 hour coast-to-coast express service. Rate $1.55 to $1 a pound according to size. Maximum 200 pounds.

19 • GOVERNOR ROOSEVELT of New York urges quick action toward state-built St. Lawrence power plant.

JANUARY

FEDERAL RESERVE Board says output of mines and factories at close of 1930 was about two-thirds of the peak in the middle of 1929 and the lowest since the spring of 1922.

GENERAL ELECTRIC sold $341,800,000 worth of goods in 1930 compared with $445,800,000 in 1929.

20 • $22,000,000,000 new life insurance written in 1930 in the United States.

INTERNATIONAL Business Machines announces a new type of scale to count any number of articles of equal weight.

21 • IRON AGE says steel production is at 46 per cent capacity as against 44 the preceding week.

STOCKHOLDER suit begun against Pennsylvania Railroad to force it to sell Wabash and Lehigh Valley.

NATIONAL Biscuit increased net income nearly $1,500,000 in 1930 over 1929.

INTERNAL Revenue receipts dropped $107,000,000 in the last half of 1930. Even cigarettes were off.

DEPARTMENT of Labor says cost of living 6.2 per cent lower in December, 1930 than in December, 1929. Food decline greatest.

23 • AMERICAN Tobacco refuses to sell direct to United Cigars. Tells wholesalers to carry on. Rumors of new cigarette price war.

AMERICAN investments in Canada now about $8,900,000,000. Authority *Financial Post* of Toronto.

24 • INTERSTATE Commerce Commission would do away with the recapture clause of the transportation act and let railroads earn more than 5¾ per cent.

CORN at new low price for the season. May at 66⅜.

26 • CITIES SERVICE offers to exchange one share of its common for four shares of Richfield Oil common.

27 • U. S. STEEL shows net earnings for 1930 of $157,755,000, which is more than dividend requests. Earnings in 1929 were $265,838,000.

A Business Record January 9 to February 7

JANUARY

CARLOADINGS week ended January 17 were 726,000 cars as against 714,000 cars for week ended January 10.

STOCK Exchange makes new ruling that members may buy securities and sell them on commission through employees. "Secondary distribution."

28 • DECEMBER motor vehicle production was 161,223 as against 141,159 in November and 125,502 in December, 1929. Year's output (cars and trucks) was 3,500,000 against 5,350,000 in 1929.

DR. DUBLIN, statistician of Metropolitan Life, says 1930 made a low death rate record of 8.3 per 1000. This is 1.1 per cent under 1927, the previous low year.

SAVINGS deposits went up a billion in 1930. Authority, the National Association of Mutual Savings Banks. Bowery of New York is largest with over $400,000,000.

MONTGOMERY WARD made a net of $3,400,000 in last quarter of 1930, more than wiping out deficits in preceding three quarters.

29 • SEARS ROEBUCK showed a net of $14,000,000 for 1930 against 30 million for 1929.

BETHLEHEM earned a net for 1930 of $23,800,000 against $42,200,000 in 1929.

30 • INTERNAL Revenue receipts for calendar year 1930 were $2,900,000,000, about $200,000,000 under 1929.

SIXTY-SEVEN railroads report net of $39,600,000 for December, a decline of 30 per cent compared with December, 1929.

31 • MEXICO gets a two-year postponement of gold payments on national and railway loans.

FEBRUARY

1 • PRELIMINARY compilation of earnings for 1930 of 102 companies shows a drop of about 25 per cent from 1929. In most cases inventories were sharply cut and in many surpluses were increased.

NEW YORK *Times* list of 240 stocks shows a gain in value for January of $1,500,000,000 after four months of loss.

FOREIGN loans by United States in 1930 were $1,085,000,000 which was $380,000,000 above 1929. Authority, U. S. Department of Commerce.

2 • DUN puts January failures at 3,316, largest of any recorded month.

SILVER down to 28⅛ cents an ounce, new low record.

3 • CARLOADINGS for week ended January 24 were 715,690. They were 725,938 in previous week and 862,346 in same week of 1930.

H. M. ROBINSON, chairman First National of Los Angeles, suggests a Federal fund to help depositors in closed bank to get part of their money quickly.

DUN'S *Review* reports a drop of 2⅓ per cent in commodity prices in January.

STANDARD Oil of New York puts in a pension plan insured with the Metropolitan covering 45,000 workers. Said to be the largest of the kind.

4 • OWEN D. YOUNG proposes bringing all commercial banks into Federal Reserve System.

GENERAL Motors reports net of $141,560,000 for 1930, a drop of $97,000,000 from 1929 but well over dividend requirement.

SALES of copper at 9½ cents a pound reported lowest in 35 years.

5 • SENATE Commerce Committee votes for limitation of crude oil imports to 16,000,000 barrels per year for three years.

BETHLEHEM buys McClintic-Marshall, steel fabricators and erectors, for $32,000,000.

7 • COCA COLA shows $13,500,000 net profit. 1930, the eighth year of increase. Spent $1,000,000 more in advertising in 1930.

SOVIET figures its exportable surplus of wheat at over 6,000,000 metric tons. Before the war Russia exported about 10,700,000 tons.

You Are Expected to Avoid

By GEORGE MORRIS

Of the staff of NATION'S BUSINESS

"AN EXAMINER from the Internal Revenue Department was going over my income tax report with me. He put his finger on an item. 'See here,' he said, 'if you had added two words to the trust agreement of your return you would have been entitled to a $5,000 deduction.'

"Of course I didn't know or I should have taken advantage of it. It is the kind of knowledge that comes under the head of valuable information. If ignorance of the value of two words in this one item cost me $5,000, I can only vaguely and with much regret estimate the total of my deductible ignorance over a period of years.

"On the other hand, I have never wanted any one, particularly the Government, to get the impression that I would change the set-up of my business or do anything else to avoid paying taxes to which the Government is entitled."

These were the remarks of a successful business man. He knows how to buy and how to sell. He knows his overhead and his operating expenses and can tell you the cost of every transaction that figures in his business.

But, with all this business learning, he did not know what his attitude as a taxpayer should be toward the Government or the Government's attitude toward him.



The law protects the citizen in the right to avoid payment of taxes

Avoiding taxes is sound business

HIS was not a unique attitude. He illustrates a state of mind prevalent among individuals who think consultation with a lawyer who specializes on tax matters is *prima facie* evidence that they are trying to evade a legitimate responsibility to the Government.

Avoidance of unfortunate or calamitous consequences is economically sound for the individual and for business. There is no reason why it should not be extended to include avoidance of inequalities in taxes to the end that one concern may not be penalized, while its neighbor across the street enjoys some privileges in the same line of business.

The Government expects everyone to avoid taxes by taking advantage of every legal deduction.

The Government recognizes the right of an organization to change its status or dissolve, in any legal manner, with the expressed or implied purpose of reducing or avoiding taxes.

"Avoid" and "evade" are terms frequently employed in ordinary usage to convey the same meaning. In matters relating to tax returns they are not even on speaking terms. They start from different points and proceed in opposite directions. The law protects the right to avoid taxes. It provides a penalty for an attempt to evade taxes. Avoidance is a constitutional privilege. Evasion is a statutory offense. The United States Supreme Court says:

No evasion allowed

"WE do not speak of evasion, because, when the law draws a line, a case is on one side of it or the other, and, if on the safe side, is none the worse legally that a party has availed himself to the full of what the law permits."

With that opinion to guide him, the taxpayer should feel that his duty to himself and his business is to reduce or avoid payment of taxes to any extent short of evasion. The courts have had a consistent attitude in this respect since the Government began collecting taxes.

Originally many persons felt that the Department of Internal Revenue was arbitrary and unfair; that decisions, contrary to common law, were resolved in favor of the Government instead of the taxpayer. If the taxpayer failed to convince the authorities that his claim was correct, he paid anyway. His only hope for redress was to file a bill in his federal district court to recover the alleged excess payment.

Federal courts are ill-adapted for handling the delicate and technical questions of tax returns. Expert examiners for the Government usually presented a better case than the bewildered taxpayer. More often than not the question was decided in favor of the Government, but not until the taxpayer had bared the soul of his business to public gaze and particularly to the view of his competitor.

This situation, and the accumulation of thousands of cases with no prospect

Payment of Taxes

CARTOONS BY D'ARCY

THE LAW will protect you in avoidance—but it provides penalties for evasion. There is a vast difference between the two terms in the eyes of the courts. If you do not know just where the line is drawn, seek expert advice. In the meantime, here are some experience stories that will give you an idea of what you may do, and what you may not do, legally

of early disposition, as well as a great variety of conflicting decisions on questions involving the same principle, resulted in the creation of the Board of Tax Appeals in 1924. Today the Board still has pending more than 50,000 cases. It has disposed of 35,000, and is disposing of them twice as fast as they are filed. The Board has a record of 13 per cent of appeals from its decisions with two per cent reversals. Of 11 cases taken to the United States Supreme Court, nine have been affirmed. Of 13,000 appealable cases decided, 1,300 have been appealed.



The law provides a penalty for the attempt to evade payment of taxes

Working in agreement

SEVEN years of operation, with precedents established in one case for all other cases involving the same issue, undoubtedly have contributed to a better understanding between the Internal Revenue Department and the taxpayer. They have reached a working agreement. Officials who handle or examine tax returns will testify that the American business man is honest, and the business man will testify that the Government expects him to avoid taxes to the last penny, but not to evade payment by one cent.

More than a hundred years ago the law required that each note for an obligation of $100 or more must bear an Internal Revenue stamp of not less than 50 cents. A citizen of Wisconsin, one Isham, incurred a considerable obligation for which he was required to execute a note. Being resourceful, he executed not one but a number of notes, each for less than $100, for the full amount of the obligation. He was charged with evading taxes and the case was prosecuted through all the courts until it finally reached the United States Supreme Court which held that the defendant had the right to execute notes of smaller denomination for the purpose of avoiding the tax.

One of the most difficult obstacles in the way of avoidance is in the simplest relationship of life—that between man and wife. Eight states recognize the partnership of man and wife in every dollar of income. In those states, man and wife are required to make separate returns and their taxes in the total conceivably may be smaller than the taxes by a man similarly situated and with the same income in another state.

Assignment of salary may be sanctioned as a legitimate means of tax avoidance under certain circumstances. The Government, however, looks with disapproval upon the disposition of a man to assign part of his salary to his wife and take advantage of the assignment in tax deduction. It is not disposed to let down the bars to a practice that might lead to abuse. The relation between man and wife is too close for the contemplation of separate economic benefits. Their interests are too nearly identical.

While the Government resists deductions in income from assignment of salaries, it is not a closed issue. Some states recognize the assignee as the owner of income. Other states hold that, in cases of assignment, the earner is momentarily in possession of the income, and, therefore, is required to account for it in his income tax return.

On the other hand there is no issue over a man's right to make a gift of securities to his wife. He may purchase securities and give them to his wife, or he may give to his wife such securities as he already possesses without being required to account for the income derived from that source. This is not, however, recommended as a rule for universal application. It is applicable only in specific instances and after the individual has weighed the positive advantage of avoiding the tax on his securities against the possibility of losing both his wife and his securities.

Inheritance tax may be avoided

THE avoidance of inheritance tax is a subject of profound study. It is a legitimate field for exploration, although its inevitableness is difficult to escape. But it can be done. All that is necessary is to convey your property to your heirs, or place it in irrevocable trust for their

benefit. But there must be no strings tied to it, and the property must be transferred at least two years before death. The law formerly provided that property given away in contemplation of death was subject to inheritance tax.

A woman, 80, strong, vigorous and in good health, gave her estate, valued at ten million dollars, to her daughter. Within six months she died. The Internal Revenue Department insisted that the bequest was made in contemplation of death and the estate, therefore, was subject to inheritance tax. Counsel for the daughter offered evidence to show the excellent state of the mother's mind and health, proved that the mother had no occasion to contemplate death soon, and won the case.



Examiners usually presented better cases than taxpayers

That case was brought to the attention of Congress, and the act was amended by eliminating "contemplation of death," and inserting the flat statement that estates are subject to inheritance tax if transferred within two years before death.

A recent case was that of a man who gave much thought to the future of his substance after death. He worked out his salvation from the inheritance tax alone or was badly advised. Property yielding $30,000 a year was placed in trust for his heirs, with the stipulation that he was to receive $15,000 a year from it so long as he lived. The Government sustained the contention that he actually placed only half his property in trust. It collected inheritance tax on the other half. The bequest was irrevocable but not unreserved. Had he relied on the beneficiaries to pay him a stipulated sum each year, and in turn placed his property irrevocably and unreservedly in trust for their benefit, the inheritance tax would have been avoided.

Simplification for railroads

FEW industries present a greater variety of complications in operation and taxation than the railroads. If, as has been said, the Interstate Commerce Commission complicates their operating problems, it also tends to simplify their tax problems. The Internal Revenue Department is required to observe the rules laid down by the Interstate Commerce Commission in assessing taxes. The Interstate Commerce Commission determines which expenditures shall be charged to capital investment, which to operating expense and, in effect, what constitutes net income.

During "the better days of the republic," as railway officials sometime call it bitterly, the railroads and the Government disagreed sharply over what was known as "sidetrack donations." Shippers built sidetracks to their industries or warehouses for their convenience and exclusive benefit, defrayed the entire cost and then, to avoid taxes, donated them to the railroads. The Government contended that these donations were taxable income. The railroads finally avoided the tax on the contention that sidetracks were not within the definition of income, which the law says is "the gain derived from capital, from labor or both combined, provided it be understood to include profit gained through a sale or conversion of capital assets."

Another form of avoidance which saved the railroads millions was the establishment of the right to make consolidated returns. Some of the larger systems have as many as 60 subsidiaries, all operating as separate corporations but owned in the same ratio by the same stockholders. In no year would all be profitable. Some might be good, some bad, others indifferent. Without consolidated returns the profitable ones would pay taxes according to their prosperity. The unprofitable ones could not deduct their losses from the profits of the others.

The advantage of the consolidated return was illustrated in a recent decision of the Board of Tax Appeals. Three corporations owned and operated coal mines. The management was the same but the ownership was by different individuals. The three organized a corporation to sell the product. They insisted on the right to make a consolidated return on the basis of profits shown by the selling corporation. The Board denied this on the ground that they were three separate corporations and, therefore, required to make individual returns. The creation of a selling corporation did not affect the ownership, and the losses of one of the group were not deductible from the profits of the others. A matter of paramount consideration is how to get the depreciated value of securities translated into figures for the income tax return. The ordinary procedure is to sell the securities and buy them back after 30 days, provided the transaction does not constitute evasion, and deduct the difference between the original purchase price and the sale price.



The law frowns on paying one's wife to avoid taxes

No agreements to repurchase

HOWEVER, if securities cost $50 a share and are sold for $20 a share, with the understanding that they are to be bought back for $20, it constitutes evasion. If they are sold at $20 without obligation to repurchase, and, after 30 days, are bought back at $20, a recognized avoidance has been practiced and the deduction is permitted. Traders may sell and buy and take their loss. The 30 day rule does not apply to them.

Some security transactions which authorities scrutinize with suspicion and with a view to possible charges of fraud, are often only an inexpert effort to obtain the benefit of depreciation to which the owner is entitled. Under proper guidance it is as easy to make the transaction *bona fide*. There was the instance of the man who came into possession of unlisted securities in the settlement of an estate. He did not know what they were worth. He decided he would account for them as he realized on them and did not list them in his return. As a result he was charged with fraud although none was intended or practiced. Consultation with some one familiar with such transactions would have convinced him of the need for adjusting their value when received. In many instances alleged fraud has been held by the Board of Tax Appeals to be legal avoidance.

It is difficult to obtain a deduction for securities of diminished value so long as there is a prospect for enhancement. An owner of Russian bonds, repudiated by the Soviet Government, would like to make a deduction for the amount he paid for them, but they are listed and supposed to have a potential value. On the other hand, a concern goes into the hands of a receiver. All the assets will be required to satisfy the creditors. The stockholders may take advantage of de-

(Continued on page 157)

A Balance Wheel of World Credit



By GATES W. McGARRAH

President, the Bank for International Settlements

DECORATIONS BY EARL HORTER

★ **THE Bank for International Settlements has a far broader purpose than the collection of German reparations. Its officials see it as an instrument for relieving money stringencies, for encouraging and fostering industry, commerce and agriculture in all parts of the world. Just how it hopes to accomplish this, Mr. McGarrah, its president, explains in this article**

THE conception seems to have formed in the popular mind that the Bank for International Settlements which began at Basel, Switzerland, May 20, 1930, was organized merely to handle German reparations payments and the so-called interallied debts, and that its principal operations are concerned with the German debt payments. That is a mistaken, although an understandable, view.

Although the prime reason for the Bank's creation was to administer the monthly sums paid into it by Germany, this duty has already become the smaller side of the Bank's activities. The handling of the German reparations payments is a routine operation which any trust company could carry on. Within six months after opening for business the Bank has developed much larger and more important activities and has become a medium of service which is one of the saving features in a tense world situation. I shall outline these broader activities with an eye to the interest and importance they may have for American commerce, industry and finance.

Although the Bank is still too young to have fixed policies in the sense that these are fixed for all time, and while the very nature of the Bank demands that it must be flexible and adapt itself to changing conditions, we have adopted certain guiding principles.

We seek to maintain great liquidity. This is necessary because a considerable portion of our funds—and we hope a growing one—constitutes the foreign exchange reserves of central banks, such as the Bank of England, the Bank of France and other similar institutions. In emergencies such reserves must be quickly forthcoming. In carrying out one of its principal functions, which is to act as a stabilizer of foreign exchanges, the Bank must be ready to move funds rapidly from one point to another. Consequently, although a third of our funds are placed with us for more than 37 years, only ten per cent of our investments are for more than six months, and nothing for more than two years. Sight to three months is our preference. By "sight" I include commercial bills and treasury bills which may be rediscounted at any moment on demand. Such investments as we have that

run more than three months are all readily realizable. Any American business corporation doing business abroad will instantly understand the tremendous ease and advantage to be had from stabilized exchange in the various countries from which it may be collecting its bills.

We have tried to relate investments directly to the promotion of trade and commerce, national or international. We do not finance governments, and our statutes expressly prohibit advances to governments. The Bank is completely removed from any governmental or political control. No person may be a director who is also a government official. The Bank is absolutely nonpolitical, and is organized and operated on a basis purely commercial and financial, like any properly managed banking institution. Governments have no connection with it nor with its administration.

A bank for the central banks

CREATED by central banks, its board of directors is made up of governors of central banks, private bankers and business industrialists who form the sole authority in fixing its policy. If political considerations were to govern the Bank, its usefulness would be impaired—in fact, one might say, ended.

In this connection, it is well to remember that the Bank for International Settlements is not a European bank, as some persons seem to have gathered. Japan and the United States have nationals on the board, and there is ample provision in the statutes for representatives of the banking systems of other countries. In fact, there are still nine vacancies on the board whose maximum number of members is 25.

I emphasize the point of the Bank's entire freedom from government domination or political control that I may more forcibly explain how unhampered the Bank is in one of its principal aims—developing and promoting trade and commerce for the benefit of the world in general.

With due regard to our commitments in a given currency and to liquidity, we have endeavored to move capital from markets where it may happen to be overabundant to markets where it is needed. Thus during the financial and economic difficulties in Germany some time ago, the Bank purchased more reichsmarks and increased its investments there.

Here is a rough instance, sufficiently removed from the necessary privacy of actual operations, to explain how the Bank tries to relieve money market stringencies. Suppose the Bank of Madagascar (let us say) was overrunning with funds, so much so that money was lending at abnormally low interest, and suppose that the Bank of Burma (again to take a fictitious example) was suffering from great scarcity of funds and money was lending at exorbitant rates. The Bank for International Settlements, acting through the Bank of Madagascar and the Bank of Burma, would transfer from the former to the latter such funds as it deemed sufficient to relieve or ameliorate the stringency in Burma. By this moving of capital we would help to level interest rates and assist industry, commerce and agriculture in centers where the interest rates are excessive.

This is a matter of some importance, not only to the country relieved, but to the whole world. For this reason we have made advances, with proper security, in certain eastern countries, to encourage industry and agriculture.

We also try to move our funds to help currencies which are temporarily or seasonally weak. In different parts of the world there are certain seasonal demands for financing. These demands customarily involve a strain on the currency of the particular country. When necessary, we advance short-term funds in such periods of weakness. Thus we accomplish the double purpose of putting capital where it is needed and of relieving the strain on exchange.

Another of our operations tends to increase the volume of credit in certain countries or monetary centers where credit facilities may be lacking or insufficient. If a given center has not, let us say, developed the helpful agency of a bill market, we are ready to make a local investment if such a market is organized. This operation attracts other funds into countries where such funds are needed.

Looking into the future, the Bank is studying the flow of gold from one center to another, a flow which, at present, is clumsy and wasteful. If this flow could be avoided, we could eliminate the loss of interest on gold in transit, the freight while it is moving, insurance and other expenses.

Jackson Reynolds, chairman of the Organization Committee which drew up the plans for the Bank for International Settlements, has suggested the possibility of the Bank gradually getting the confidence of the world, and having the gold of the world, or some part of it, deposited by the owners, and transferred by book credits and earmarks.

The stabilization problem of the future is a most important problem, and the Bank stands ready to help countries that may decide to adopt the gold standard.

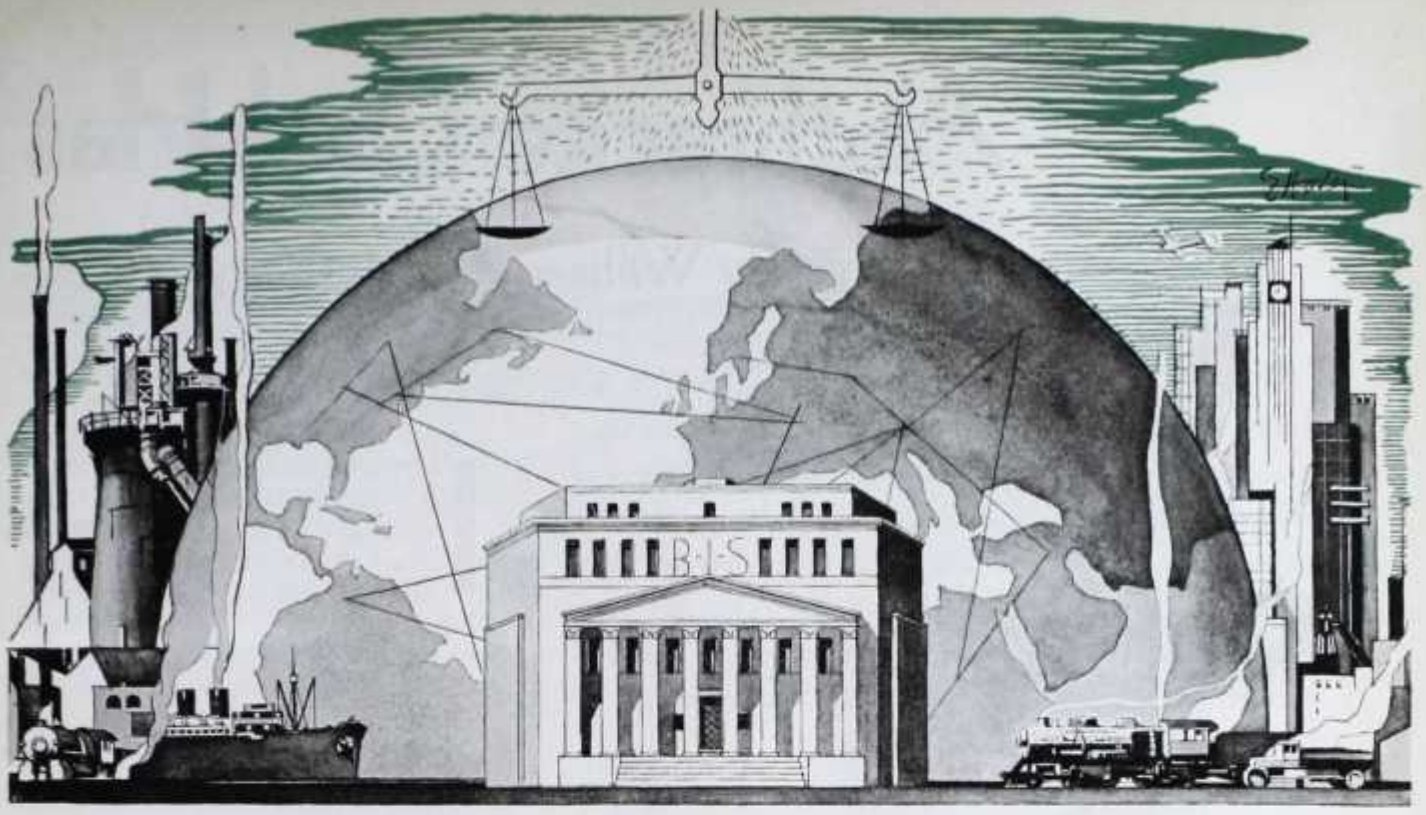
Our statutes provide for the creation of an adjustment fund for movements in gold. A study of this possibility is under way, and the B. I. S. may receive gold deposits in the future, agreeing to transfer them from the account of one central bank to another. In this way we would avoid a recurrence of incidents like those witnessed in recent years, when gold crossed the Atlantic from London to New York at the same time that gold was being transported from New York to Paris.



By moving capital the B. I. S. tries to aid industry and agriculture

Handling reparations

WE COME now to the handling of German reparations payments. The Bank was organized primarily to do away with the Agent General who was receiving and distributing German debt payments under the Dawes Plan. In June, 1929, a committee of international financial experts, headed by Owen D. Young, evolved what is expected to stand as a final settlement of the problems left over by the Treaty of Versailles and not completely met by the Dawes Plan. As will be recalled, the Dawes Plan fixed no definite term of years for German reparations payments. The Young Plan fixed the term at 59 years. It



"I believe the Bank for International Settlements constitutes a starting point from which a vast deal can be done to stabilize world currencies and encourage world trade"

also reduced the amount of the annual payments from 2,500,000,000 reichsmarks to an average of roughly two billion reichsmarks for the first 37 years, and somewhat under 1,600,000,000 reichsmarks for the last 22 years. It removed the payments from all foreign supervision, a step very pleasing to Germany.

When the Young Plan was ratified some agency became necessary to replace the Agent General in handling and financing the payments. This led to the organization of the Bank for International Settlements. An essential feature of the Young Plan was that a certain portion of the annuities payable by Germany could be mobilized and offered to the public. The Hague Agreement fixed as the amount of the issue the equivalent of approximately 300 million dollars. Two-thirds was to go to the creditor governments entitled to payments from Germany, and one-third to the German Government itself for the needs of the German post office and the German railways.

A complex bond issue

EVEN before the Bank was opened it was manifest that it could make no headway in the field of developing central bank cooperation, or in studying methods of facilitating the international movement of capital until this loan had been realized. We were dealing with one of the largest international issues ever made; with the fact that the issue of reparations bonds was to be offered in nine different countries with nine different markets and different languages and usages, and with the further fact that the desires and interests not only of many banking groups but of seven government treasuries and of Germany all had to be harmonized.

In mid-June, 1930, the loan, approximately 350 million dollars, was made. The largest proportion was placed in France where the offering was heavily oversubscribed. The second largest amount, 28 per cent of the aggregate, was placed in the United States. The remainder was allocated to the money markets of Great Britain, Sweden, Switzerland, Holland, Belgium, Italy and Germany.

B. I. S. was made trustee

THE Bank was appointed trustee for the bondholders and now serves in that capacity. The proceeds of the loan were placed by the issuing bankers at the disposition of the B. I. S., which credited or paid them to the several beneficiary governments *via* their respective banks. The service of the loan is the direct and unconditional obligation of the German Government, and all payments required by the general bond have been and are being faithfully and punctually made.

In this connection, I may mention that Germany has been reported to be planning a moratorium, or in some other way attempting to evade or repudiate the terms of her bond. I take no stock in such rumors. It is my observation and conviction that the German people have a way of living up to obligations once definitely assumed.

The authorized capital of the Bank is 500 million Swiss gold francs—the Swiss franc being valued at the current rate of exchange at 19.3725 cents. This capital was divided into 200,000 shares. The subscription of the total capital was guaranteed in equal parts by the central banks of England, France, Belgium, Germany and Italy, and a banking group acting in place of the Bank of Japan, and J. P. Morgan & Co. of New York, the First National Bank of New York and the First National Bank of Chicago. The Bank was empowered to do business as soon as 112,000 shares were subscribed for. Twenty-five per cent only of the value of each share was to be paid up at the time of subscription, the balance to be called by the Board upon three months' notice.

At the first meeting of the directors the central banks

(Continued on page 106)

Anthracite Coal Has

By William A. McGarry

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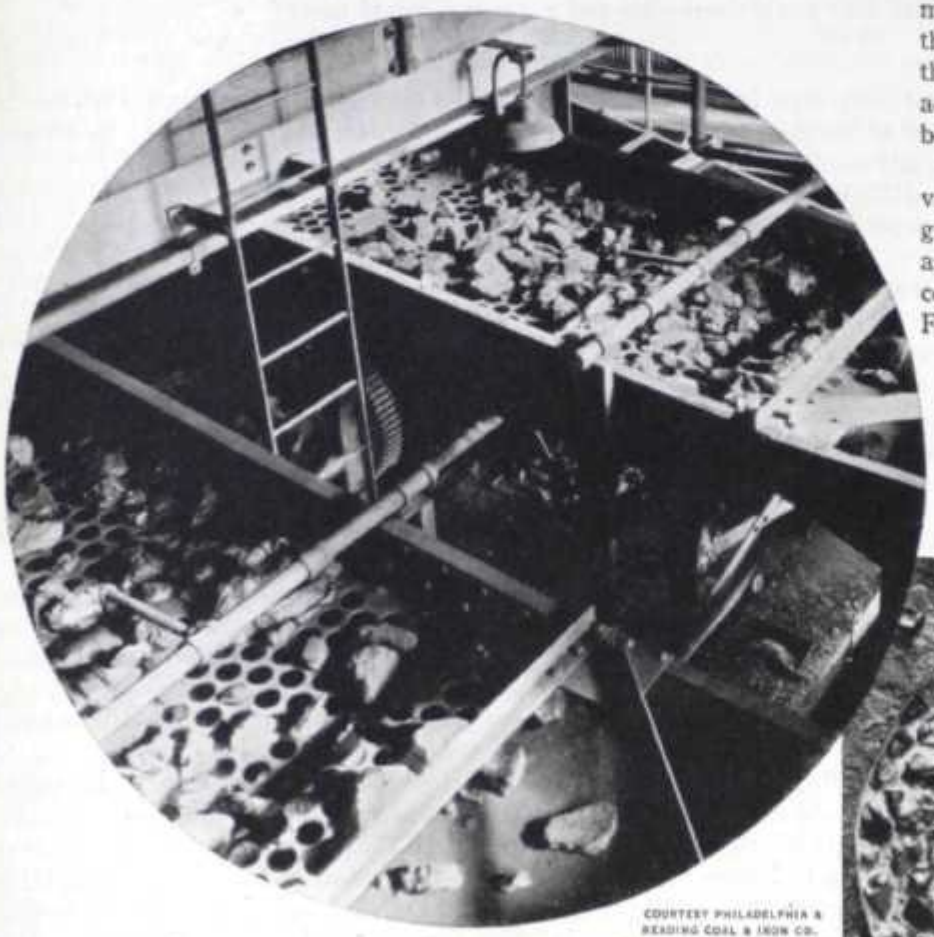
CHALLENGED by new fuels that cost them many markets and cut into those that were left, the anthracite coal operators, right after the war, faced a serious situation. They did not bemoan their fate or run to legislatures. They joined hands to see what could be done. Although their comeback is not yet complete they are so well on the road to recovery that success seems assured. Here is a story of X-forces and an industry that beat them

IN EVERY industry which has fallen out of step with progress, single aggressive units are to be found. They make profits in good times and bad, and thereby provoke endless argument as to whether all their competitors—the whole industry of which they are a part—could do as well with similar methods.

One school—the profit-making and aggressive minority—says the undeveloped market for any product is far bigger than the current and visible demand. The other school holds to the theory of saturation. Its members insist that the limits of any market may be accurately measured, and any output beyond that limit is overproduction.

Anthracite coal operators of Pennsylvania are lining up with the first named group. Collectively and in cooperation, as well as individually, they have been conducting a comeback for five years. Few of them actually are making profits as yet, but they have gone far enough to provide definite evidence that what works for one will work for all.

In the face of competition from oil, coke, soft coal and gas for



COURTESY PHILADELPHIA & READING COAL & IRON CO.

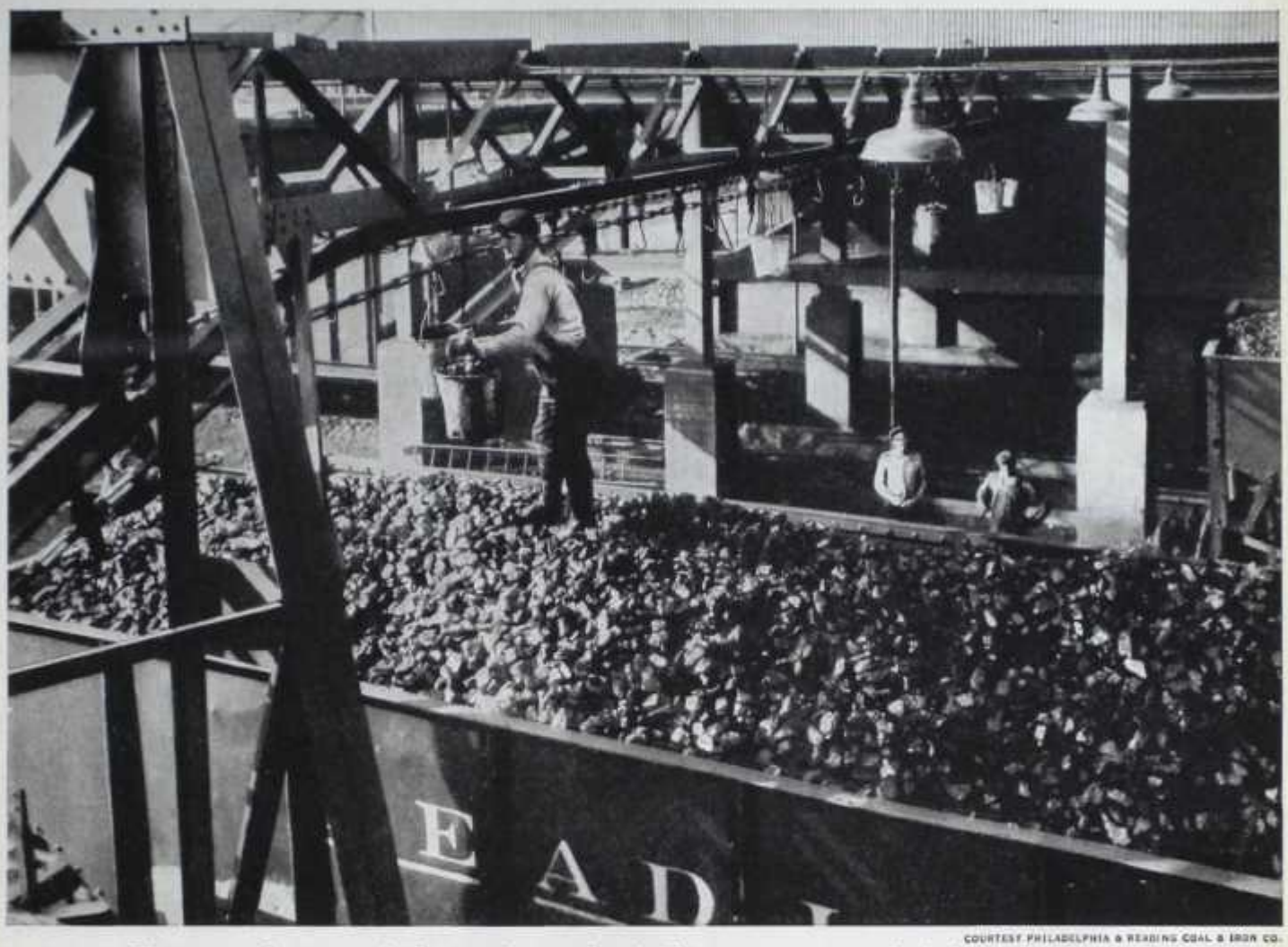
Shaker screens insure accurate sizing in the new breakers which anthracite operators are building



COURTESY PHILADELPHIA & READING COAL & IRON CO.

This vat in which coal floats while rock sinks to the bottom has replaced breaker boys who picked out rocks

a New Grip on Life



COURTESY PHILADELPHIA & READING COAL & IRON CO.

The tester takes a sample from each car of coal. If it is not up to standard the load is sent back

domestic heating, the almost complete disappearance of the industrial and railroad market, and even a reduced *per capita* consumption in some instances by existing customers because the coal is cleaner and has more heat units, the anthracite industry is holding its own against everything but warm weather.

Moving forward with extraordinary uniformity, the industry is regaining some of its lost customers. It is getting back into markets lost during the war. It is reviving others lost through mine and railway strikes. So confident are all of its units that they are systematically increasing productive capacity, regardless of an excess now existing of about 25 per cent.

It is an increase, however, which in the words of one of the leaders of the industry has been rationalized. The old slogan of this and other industries—volume at any cost—has been scrapped. In its place is being developed a comprehensive program of economy at every step in production, distribution and sales which, although not as yet completely applied to the whole industry, already has been carried far enough to prove itself.

The progress made is even more noteworthy because until five years ago or thereabouts anthracite had never had a sales problem. For a quarter of a century before the war, supply and demand were in balance during normal times, and strikes caused acute shortages. Distribution always involved difficulties, but they had been mastered to the point where hard coal was sold as far west as St. Paul and elsewhere in the Northwest and Canada, as well as in Middle Atlantic and New England states.

The war caused the first real disruption of the market. All the anthracite that could be produced was required for industrial and domestic use near the mines. For that reason and to conserve railway facilities for munitions and army supplies, shipments to distant markets were cut off. Competitive coals and coke became firmly lodged, not only in distant markets but in others nearby.

When the war ended, labor troubles in the mines and on the railways and problems of readjustment combined to maintain a shortage for several years. Anthracite operators noted the further encroachment of soft coals and the introduction of the domestic oil burner and, later, of gas heating. They noted also the diminishing use of their small steam sizes by various manufacturing industries but, having no excess hard coal, they could do nothing about it.

The beginning of the comeback took

place after the strike of 1925-26. Previously—in the winter of 1923-24—the Anthracite Operators Conference had established hard coal economy exhibits in some larger cities. Consumer response was so marked that the Anthracite Coal Service was set up in 1925. It is a cooperative organization representing now more than 90 per cent of the anthracite production.

Anthracite Coal Service is a merchandising entity. It does no direct selling but functions exclusively in the interest of the consumer. From its small beginning it has grown to an organization of 86 engineers with branch offices in 32 cities from which it reaches by motor virtually every community where anthracite is consumed. These engineers operate through retail dealers and today they have trained in the field about 3,000 merchants and their service men out of a total of 14,000 retailers.

Service for consumers

TRAINING in the field was probably the most effective single stroke in the merchandising program of the anthracite industry. It means that an engineer skilled in combustion goes with the retailer or his service men to the homes of individual consumers, to apartment houses, to hotels and other points of use, inspects the equipment, shows where it may be improved and literally cuts the customer's coal bill. But as one leader in the industry has pointed out, this service has proved a most satisfactory stop to the loss of customers to competing fuels.

This cooperative merchandising unit represents the spearhead of the anthracite industry's thrust for rehabilitation. Nothing else would have been fully useful without it. Through this service the producers have set up a consumer contact that has given point and direction to their advertising, informed and inspired their sales organizations, and has made possible a connected and systematic series of cooperative and individual production, research and merchandising activities.

The actual first step in the comeback, however, was the operators' determination to set up and maintain a higher standard of quality in their product. With their markets slipping, that required nerve. It called for a mechanical revolution in mining and preparation of the product, the replacement of the mine mule and the breaker boy with machines. If any one has estimated what the total cost of this program will be on completion I have not seen the figure. But it may be approximated from what is available. The Philadelphia and Reading Coal and Iron Company, under the leadership of Andrew J. Maloney, who became president of that corporation three years ago, put out a bond issue last year of $30,800,000.

P. and R. represents normally ten to twelve per cent of the total anthracite production. Therefore, if every producer brings his properties to a state of modernization comparable to that of the Reading, the total expenditure will run well over 200 million dollars. The Reading has built one new breaker at Locust Summit, Pa., at a cost of $4,500,000. It has three others planned and is completely electrifying all mechanical equipment and transportation in and around the collieries.

Nearly every other big producer is building new breakers, among them The Hazle Brook Coal Company and the Lehigh Valley Coal Company. Elliott Farley, president of the Glen Aldan Coal Company, which is the operating subsidiary of the D. L. & W., is sinking new shafts to tap deep beds and modernizing much of its equipment. The Lehigh and Wilkes-Barre Coal Company is installing a three-million dollar drainage tunnel. Richard Grant, president of the Lehigh Valley; Samuel D. Warriner, president of Lehigh Coal and Navigation; Don Markle, of Jeddo Highland, and Weston Dodson and Percy Madiera of Colonial Coal, are among the leaders in plant modernization and up-to-date merchandising.

Showing where the fault is

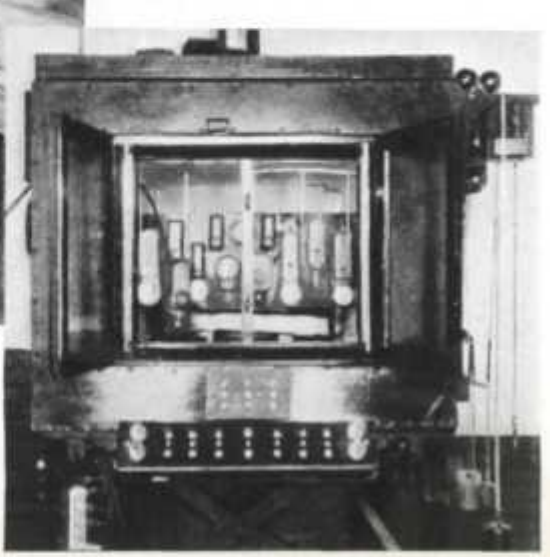
WITHOUT the higher quality which has been the first aim of this program the consumer contact might have been of little value. Engineers and dealer service men have been repeating to consumers that anthracite is now cleaner than ever in its history. In their first survey to determine the reasons for consumer complaints they visited 5,000 homes. Detailed inspections were made, and in 67 per cent of all instances the

(Continued on page 122)



COURTESY PHILADELPHIA & READING COAL & IRON CO.

After coal samples are burned in this electric furnace the ash is weighed to determine ash percentage



QUAKER PHOTO SERVICE, INC.

Dials in the laboratory record the result of every test with scientific accuracy



HORVOCZAK

Automobiles brought many changes to distribution. The park-and-shop market is one of them

The Retailing Plans We Need

By FRED LAZARUS, JR.

Secretary-Treasurer, the F. & R. Lazarus & Company

★ **NEW schemes of getting goods to customers are constantly being tried in this day of change. Questions constantly arise as to which of these plans is destined to do the best job. Mr. Lazarus, a member of the Board of the National Chamber and chairman of the Domestic Distribution Department advisory committee, offers the answer**

RECENTLY an executive of a Pennsylvania industry was motoring through a desolate district in West Virginia. He stopped before a small general store and gasoline station at a crossroad village. He had lost his gasoline tank cap and many miles of mountainous country lay before him. In a minute the proprietor produced from stock the correct size—for 15 cents.

Consider the value of the cap to the motorist at this precise moment. Here was an article stamped from a few cents' worth of metal and sold in an out-of-the-way village in the hills for a trifle.

Back in a large city a woman went into a neighborhood drug store to buy a tooth brush of a particular color and was disappointed because she could not find one exactly the shade she sought.

The Pennsylvania motorist referred to his experience as illustrating the "Miracle of Distribution." No words better describe present day retailing, wholesaling, and associated units distributing goods from the producer's warehouse into the consumer's hands. The motorist realized the efficiency of the machine that placed, as its final step, an article vital to his needs at a tag-end point.

The fact that consumers, like the tooth brush customer, are nettled because of any slight inconvenience in purchasing their wants is the greatest compliment to the efficiency of present methods of distribution. The last 25 years have seen tremendous changes and have brought closely to the public the myriad of things which its wants have developed.

Unlike manufacturing, distribution has not the intriguing background from which material for stories is taken. No

production line in distribution assembles a $700 unit of wood, glass, and steel in a few minutes. No glow is cast in the sky from its foundries. There is romance in felling trees in the forest and the subsequent fabrication of dining room tables or toothpicks. But there is little romance in pushing packages of toothpicks across a counter or escorting particular people down aisles of inanimate furniture.

Little known distribution

THE consumer understands manufacturing. He knows little of distribution. He has seen the modern factories in Missouri or Massachusetts where shoes are made or has read of efficiency methods by which the product is turned out. But he knows practically nothing of the processes through which those shoes are ultimately laid before him in an assortment of styles and a wide variety of sizes. Beginning with the revolution of the entire scheme of distribution when the automobile was introduced, the structure has been altered and realtered constantly. Distributors themselves are sorely pressed by changing conditions. A wholesaler or retailer awakes in the morning wondering what new development will appear that day. A fellow Ohioan said recently that a retailer must run like the devil to stay where he is.

The distribution machine—trade and transportation—has grown to enormous proportions. It has become so broad in its ramifications that it now employs more persons than manufacture does. It has absorbed many persons formerly so required. One hundred and twenty millions obtain their daily needs through its varied forms. Almost one-half of them depend on its pay rolls.

Today distribution does two fundamental things. It meets, in continually improving methods, the wants of its customers. It develops customer demand by showing consumers the value and the use of products.

Where the wants of the consuming public are definite, distribution costs will, of course, be less than where these wants are being created through the efforts of distributors. In both of these fields, however, there are tremendous variations in the methods employed, all based on studies to meet conditions that will make the public acquisition of articles most easy.

The automobile suddenly caught hundreds of retailers unprepared for the radical changes in living and in public demands. The economies of mass production were only possible if this increased output could be sold. Skilled men came into the field of distribution.

More travel and better living

AUTOMOBILES, good roads, and the war have made travel much more general. People found out more how other people lived, and the desire for increased comfort came with improved industrial conditions. Radios, motion pictures, and magazines have all tended to increase these wants, so that today people everywhere are much more interested in the refinements of living than ever before.

Obviously, the small storekeeper



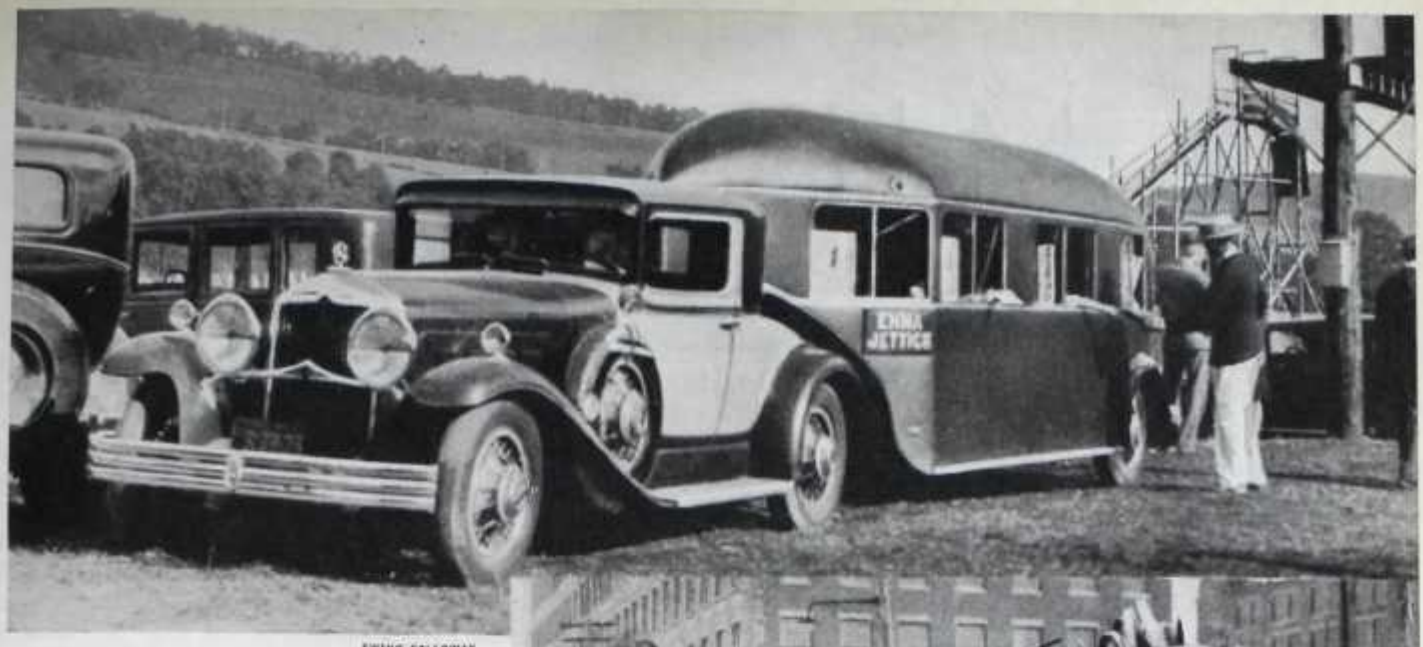
KEYSTONE VIEW

Customers now know exactly what kind of goods and services they want



Better transportation brings cities into competition with small towns

EWING GALLOWAY



EWING GALLOWAY

The traveling sample room is a new distribution development



CHARLES PHELPS CUSHING

The peddler's wagon, one of the oldest forms of selling, continues, and will, as long as there is demand for it

through years of dealings with folks of simple demands had not fortified himself for the change in their habits, which rapidly accompanied the use of the automobile. In turn, the small-town retailer was distressed as his customers found the neighboring city had become only 30 minutes away. The city's large stores learned that a cold, calculating public was making unheard-of demands.

Naturally, in this rapidly changing field, few have recognized that the consumer is regulating distribution. What she wants she gets and she knows definitely what she wants. As her tastes and demands both for goods and service make themselves felt, retailing shifts accordingly. It does not always shift quickly enough, and, therefore, the complications.

Governmental interference

MANY merchants of the old school believed that the Government should help to rid them of new competition, which they regarded as unfair. They forgot that the public had changed and that they had not kept up with the changed conditions. Some politicians were eager to take advantage of and to encourage this agitation, most of which was directed against chain stores. As a result misunderstanding has been heaped upon misunderstanding.

Even though chain stores sell but a fraction of the merchandise that the consuming public buys, their success has been so great as to attract a lot of attention. In some states sales taxes have been employed to punish chain-store selling. Other retailers found that, instead of punishing chain stores, the sales tax foisted more problems on the entire retail industry. If, after careful study, a sales tax is found to be a proper method of raising government revenue, it should be used for that reason, but it certainly should never be used as it has been in the heat of misunderstanding and economic conflict.

Much has been written about the cost of and the waste in distribution. The cost for the different types and classes of service which the public demands must vary tremendously. In some instances, the service constitutes but about 15 per cent of the retail price; in others, it may rise as high as 50 per cent. The customer chooses the type of service she desires. Peculiarly, however, no one single road or one single best method has been developed. The success of increased distribution is undoubtedly the number of methods that have been used and the resourcefulness shown in creating and answering customer demand.

In the past several years, many wasteful methods have disappeared. Less favorable business conditions will eliminate others; but the live, successful distributor of 1931 has already realized that the customer is boss, that demands of this boss continually change, and that he must change with them.

Distributing in endless ways

THE ramifications of distributive methods are unending. Catalog selling, house-to-house selling, retail outlets, manufacturer-to-consumer outlets, cash stores, payment stores, department stores, manufacturers' agents, are but a

(Continued on page 140)



Making Directors Part

By Ray A. Ilg

Vice President, the National Shawmut Bank, Boston

ILLUSTRATIONS BY R. L. LAMBDIN

"NEW BUSINESS, distribution, sales." That is the cry of American business and yet company after company neglects to use all the tools at hand in the effort to dig out new business.

Many sales managers and sales directors in laying out plans to gain the maximum of new business, consider only three units as capable of sales action—salesmen, officers and present customers. But there is a fourth sales unit fully as powerful and effective as any of these. That unit is the directors.

We have all read of the responsibility of directors, how their names inspire the public's confidence in a corporation or institution; how their guiding hands steer the financial course and select capable officers. We know that in these directors the stockholders have placed their trust. The directors are expected to safeguard the interests of all concerned, to see that the business is run on a sound financial basis and that the management is keen, careful and productive.

This is all true, but in the rapid race of business today, stockholders expect and demand even more of the directors.

The director of today is part of a sales unit. He is expected to do for the institution on whose board he serves, the same real job of selling that he does or has done for his own company.

Men are selected as directors because of their ability and reputation. They have earned this in most cases through some business of their own. No matter what business they have been in, their success has depended mainly on selling—selling themselves, selling ideas, or selling their concern.

It stands to reason that every director has valuable experience in some kind of selling that the company or institution on whose board he serves could use to great advantage. Not only can his experience help the institution through advice given, but he, himself, can do an actual selling job for them. That is why the healthy growth of any institution is assured, if the directors will take off their coats and go to work.

Encourage the directors

THE problem of getting full benefit from the experience and services of the directors rests with the officers of the institution. It may be necessary to overcome the thought that the loan of a name and reputation is enough to give to the institution.

It can always be pointed out that the tie of a director to his company is moral as well as financial. The stockholders expect him to give to their corporation or institution the maximum of his experience and judgment. They expect him to devote direct efforts toward making their institution prosperous. Wherever this is not done, a company or institution is missing a truly golden opportunity to obtain new business.

We must not get the idea that it is the directors' fault when institutions do not receive their maximum support. It is usually the fault of the institution in not showing the way to the directors.

Directors are directors because they are successful men, and successful men are generally busy. A director usually has his own business to run, if not several of them. He can give only a limited time to the work of his directorship, but if the use of this limited time is carefully planned, the results will be well worth while.

In view of this, it is simply a part of the work of the company or institution to show the directors just what they



The directors are like a great hand with fingers capable of touching vital spots that will reveal new business for the institution

of the Sales Force



EVERY company regards its directors as among its greatest assets but, says Mr. Ilg, few of them take full advantage of the services their directors can offer. He describes some ways in which his own bank puts its directors to work and uses not only their names but their personalities in getting new business

If you are going to use your directors you must sell them to the public

can do, tell them the easiest way to do it, and keep them informed as to the progress and results.

Selling cash and credit

SOME things that have been done along this line should be of interest to all large companies, corporations and institutions. It happens that our particular problem has been with a bank. The bank of today is sales-minded and is merchandising its products, cash and credit, just as any other line of business merchandises its product. To do a thorough job of merchandising, it is absolutely necessary that the directors take an active part in the sales program.

What can a bank do to get maximum counsel and actual sales help from its directors? There are several logical steps.

The first is so simple that it is likely to be overlooked. The institution must be sold to the directors. If this is not done, they are likely to accept the directorship as an honor and a business task to which they will devote a minimum of time. A real interest and enthusiasm for the task at hand must be stirred up within them. They must be made to feel every achievement and every failure. In other words, they must become a part of the institution.

This can be done only through personal contact. The directors must learn to like the officers of the institution, who are ready and eager to work with them.

Every opportunity should be utilized to bring officers and directors together.

If the institution has an officers' luncheon room, it is advisable that at least one director be invited to luncheon each day, in order that he may meet the officers on a personal basis.

The directors must be invited to all institution functions, such as outings, meetings and parties. They should be kept informed as to all institution activities; not only business activities, but also those which promote internal good will. They should be on the mailing list for all institution publications.

Just as the institution must be sold to the directors, so must the directors be sold to the institution. Every employee should know the names of the directors and something about their business affiliations. This is especially important in the development end of the business. That is where the names of directors and their affiliations are part of the everyday work. They are constantly in use.

If a director has the confidence he should have in the institution and is willing to recommend it to his friends, surely he should do his own business with that institution.

In the case of a bank, it is only natural to expect the directors to keep their own accounts and those of businesses with which they are affiliated with the bank.

In a case recently brought to my attention, a bank which was soliciting a large account learned that the president of the prospect-concern was a friend of one of the directors. This fact was brought to his attention. He replied, "If you will look at your records, you will see that your director does not do his business with your bank. Why then, because of my affiliation with him, should I give you my business?"

Getting directors' accounts

THAT was a hard question to answer, but the remedy was simple. The bank got the director's account.

Once the directors are sold on and to the institution, how can you best use their services?

Naturally, the first step is to get their

own business and the business that can be gained through their affiliations. Reaching farther, it will be found that the directors are like a great hand, with fingers capable of touching here and there a spot which will reveal new business for the bank.

The directorate of the modern bank is formed with the idea of giving a cross-section of business so that every major industry and line of business is covered. Naturally this gives the bank the combined knowledge of these men regarding general business conditions. This information is as valuable in soliciting new accounts as in passing on credit. The business wisdom which the directors give the officers can be passed on to prospects and customers as part of the bank's selling argument.

If you are to use your directors in soliciting business, it is necessary to sell your directors to the public. We have advertised the names of our directors to the public because we know that they carry a sales weight which no one other argument can possibly approach. The directors' names should be used in advertising, on statements and in direct mail work. The directorate is the central pillar around which the whole bank functions. This is true not only of banks, but of other institutions and corporations.

The greatest pride-building element in any venture is success. Therefore, to make directors proud of their directorship, it is necessary that they be acquainted with all the progress made within the institution. If one director accomplishes a notable feat in getting new business, or if an officer or clerk deserves praise, let the directors know about it. It has been found advisable to have frequent meetings of the officers and directors at which all such matters can be discussed and plans made for getting new business.

Interest in sales contests

BANKS have really just entered the merchandising field but their progress shows momentum gathered by direct, concentrated effort.

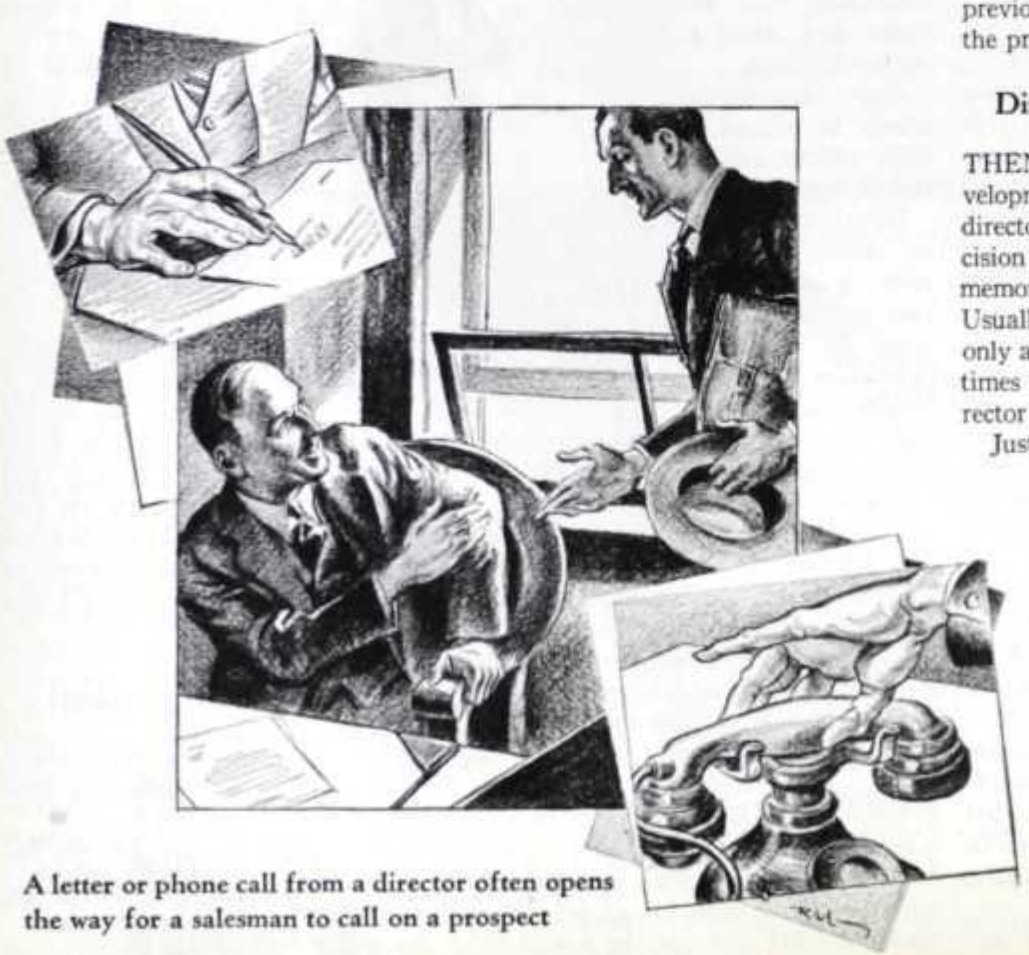
Today we find sales contests common in banks. Not so many years ago such things were unheard of as far as banks were concerned. In these sales contests, which are usually worked on a point basis with teams formed by the employees, it is a decided help if a director be assigned to each team. His team mates can call on him to use his influence in soliciting accounts which will go to the credit of his selling unit.

In this way he becomes a part of the actual selling organization and places himself side by side with the officers and clerks in the effort to build the bank. He is regarded as the leader of his team and cannot help but feel that he must produce business to meet the high opinion in which his team holds him. A director is only human. He, like every other leader, does not want to play on a losing team.

However, when directors are asked to help in getting new business, this help must be reduced to a minimum. This is the task of the officer in charge of development. He must see that all research and planning are done before a selling job is brought to the director's attention.

This officer should be the working contact between the directors and the officers insofar as new business is concerned. He should know the directors and have a detailed list of every director's affiliations. He must be able to decide in the case of a particular prospect just what director or directors can help best and how their help can be reduced to a minimum of work and effort.

The officer in charge of development must make out a detailed report on each prospect to be solicited. At our bank we call this a "job ticket." It contains all potent information regarding the prospect—the name of the company, the name of the individual to be solicited, the officers, the size, kind of business, where business is conducted and all outside affiliations and cross references. The report also contains a résumé of all previous calls and contacts made with the prospect.



A letter or phone call from a director often opens the way for a salesman to call on a prospect

Directors can pave the way

THEN the officer in charge of the development must decide how a director or directors can be of most help. The decision should be definitely stated in a memorandum attached to this job ticket. Usually this memorandum will urge only a letter or telephone call, but sometimes a personal solicitation by the director is necessary.

Just the other day we had an interesting case where several of our directors helped in getting a very desirable account.

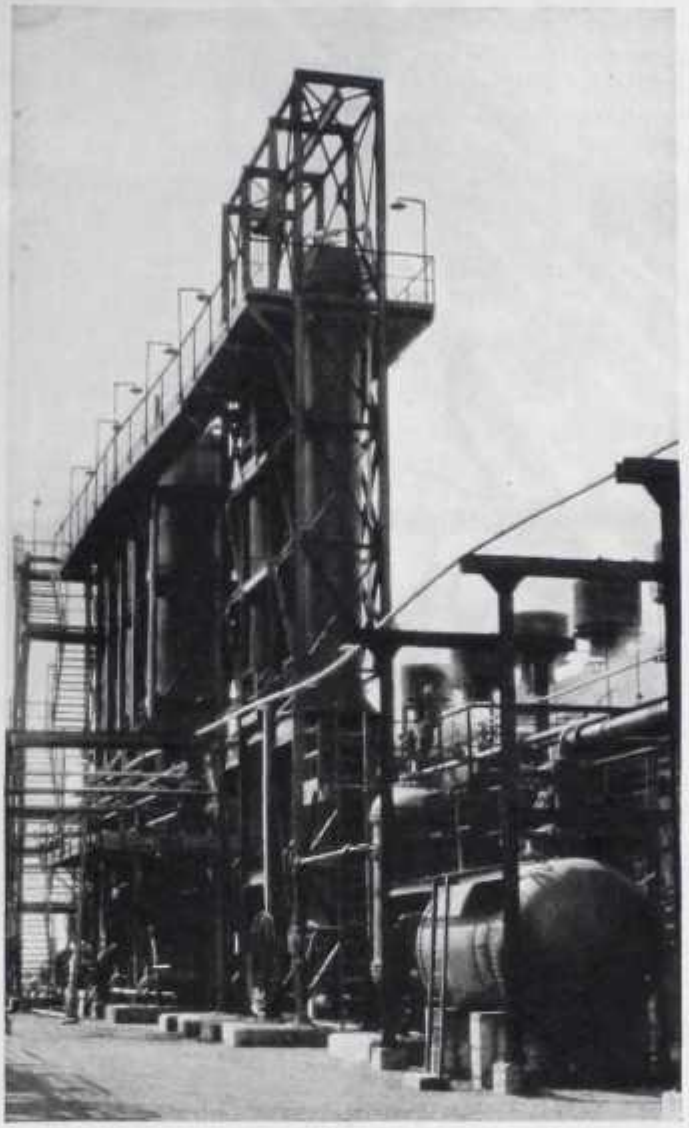
We learned that a large company in the Middle West was considering trading in the New England market. We obtained a complete report of the company, its credit standing, its activity and methods of doing business. We found that one of our directors knew the man in power. We explained the situation to this director and asked him to

(Continued on page 134)

Gasoline Prepares for Tomorrow

By HARRISON E. HOWE

Editor, "Industrial and Engineering Chemistry"



Crude oil is scrubbed in water in these tanks and certain elements removed

★

HYDROGENATION is a new process for refining petroleum. If you are not an oil man its connection with your business may seem remote. And yet hydrogenation promises to touch your life every time you put your foot on the starter of your automobile or a drop of oil on a machine in your plant

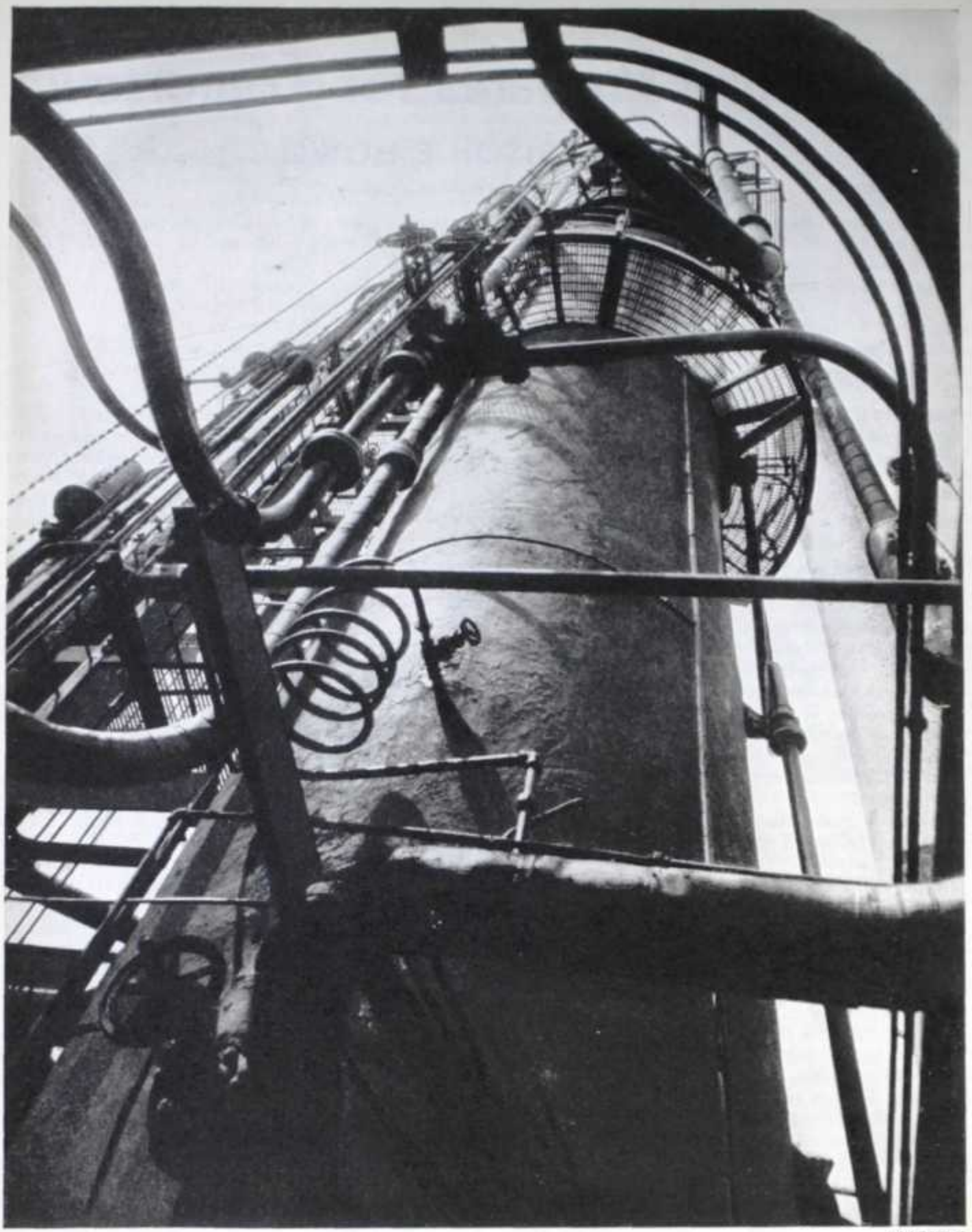
FORTUNATE is the manufacturer who, from a limited number of raw materials, is able to produce the diversity of products which his customers may demand. Fortunate, indeed, if variations in the characteristics of his raw materials offer no insurmountable obstacles in meeting rigid specifications. Still more fortunate when science and technology give his processes of manufacture such flexibility that he can practically say to the trade, "Gentlemen, what will you have?"

Today the manufacturer of petroleum products is that fortunate individual. The latest link in the chain of methods which have come from the research laboratory appears to have added flexibility enabling another long step toward perfection in utilizing a rich natural resource to the full. The chemist calls it hydrogenation.

The ancient philosophers conceived the earth and its envelope of gases which we call air to be made of four primal substances—earth, air, fire, and water. The modern scientist finds a place in his scheme of things for 92 elements. The ultra-modern scientist has a notion that eventually we shall find everything compounded from a single simple substance, say, hydrogen. But, in the meantime, the 92 elements are our building stones. Of the 92, carbon and hydrogen are among the most important and what is about to be done with petroleum largely involves breaking up the huge petroleum molecule into these elemental substances and then recombining them to meet specifications. It is obviously the neat way to do it, but to learn how has required a great expenditure of treasure and painstaking research by a large number of highly trained men for more than a generation.

Studied hydrogen

WHEN Friedrich Bergius began his study of anthracite and fuels in general, primarily for the purpose of transforming low-grade fuels into those of higher value, he decided to synthesize coal, that he might learn more of the natural process. Ultimately he was able to make an anthracite from wood. His further studies led him to believe that, if he supplied the missing hydrogen, carbon might be caused to unite with it in a way to form liquid fuels. When the first International Conference on Bituminous Coal met in Pittsburgh in 1926, details were presented, together with samples of what had been done. Somewhat before this time the *Interessengemeinschaft*, familiarly known as the German I. G., had become in-



WILLIAM BITTMAN

A Monument to the Romance of Industry

Constantly seeking better gasolines and lubricants, science today takes petroleum to huge refineries where the crude oil is shaken apart and its molecules put together again in new proportions. Processes now permit recovery of a gallon of gasoline from a gallon of crude

terested in the same field of research as a logical carrying forward of its development of high pressure and catalytic reactions. Then one day we learned that the Standard Oil Company of New Jersey had acquired an interest in the process so far as it applied to petroleum.

It is an interesting example of the cumulative benefits that come from successive applications of research and special knowledge. To the contribution of Bergius, the I. G. added its enormous research and developmental facilities and brought the process to a commercial scale. Coal and coal tar are now being utilized in Germany to produce liquid fuels by a direct hydrogenation process. Along comes Standard of New Jersey with its special knowledge of petroleum, of petroleum products, and petroleum market requirements. By a still further substantial research contribution Standard makes such adaptations, changes, and improvements as may be required to proceed with the hydrogenation of various crude oils and crude oil products.

In the lifetime of many who may read these lines, the character of the oil business has completely changed so far as products are concerned. Some still remember when the kerosene lamp was the universal light source. In those days the refiner would have liked to work off a little gasoline in the kerosene and so specifications and tests were perfected to prevent this in the interests of safety.

Today it is the other way about. To meet the enormous demand for gasoline we have progressed step by step toward the possibility of converting as much of the crude oil as may be required into a motor spirit. At first simple distillation or the stripping of the crude oil gave sufficient gasoline. What remained behind was worked into kerosene, lubricants, fuel oils, paraffin, tars, and what not.

More gasoline per barrel

NEXT followed the era of cracking, which meant that whereas the average crude oil had yielded, say, 20 or 25 per cent of gasoline by simple distillation, the molecules could now be broken down to the point where 35 to 50 per cent of gasoline might be expected. It is the perfection of the cracking process that has kept automobiles running and successive improvements from liquid phase to vapor phase to gaseous phase have pushed up that 35 per cent gasoline yield.

But cracking has not made possible the complete conversion of crude oil to gasoline, nor has it made possible the production of a lubricating oil or a motor fuel of exact specifications irrespective of the characteristics of the crude oil. No one knows how much has been lost in fuel and how much has been spent in money in an effort to eliminate sulphur, particularly from the Mexican and South American crudes which run high in this element. Sulphur is objectionable largely because of the corrosion to the parts of an engine which will obtain under certain conditions of temperature and operation.

Another thing, processes which yielded a highly satisfactory lubricating oil have not heretofore made possible the ideal lubricant. The ideal lubricant should show a minimum change in consistency or viscosity under the widely varying temperature conditions of modern combustion engine operation. It should have a high flash point to prevent evaporation at the high temperatures accompanying great speed. Finally, its carbon content should be low, to insure minimum deposition in the motor.

An ideal lubricant?

NOW these desirable features vary to a large extent with the type of crude oil employed in their manufacture. Hydrogenation used in combination with distillation and cracking or, in some places, alone, promises to give the long-desired balance in production, to enable the manufacture of gasoline with any desired characteristics and to make possible the ideal lubricant.

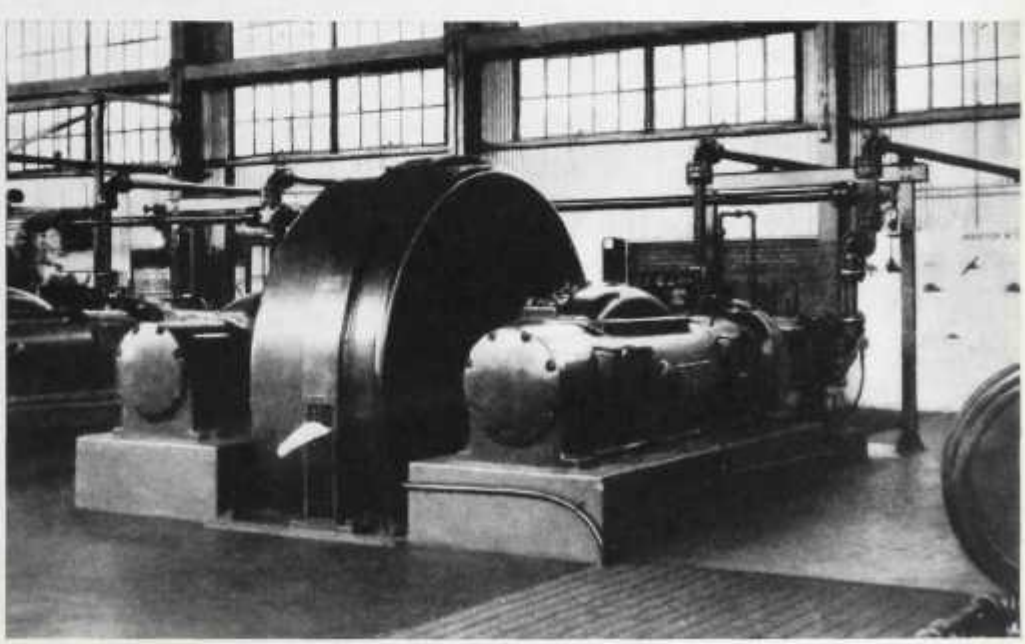
Hydrogenation is expensive. At present to erect the plant costs roughly $600 per barrel of oil to be treated daily. This initial cost will doubtless make its advent in the petroleum industry somewhat slow, particularly at a time when we appear to have an excess of petroleum products. In this connection it is interesting to remember that about 20 years ago a specialist predicted that today we should have to use our oil shale and industrial alcohol to find enough fuel to keep our motors running. A plant operating at a high pressure and high temperature with a large volume of crude material is necessarily expensive to build.

More than that, hydrogen is not a cheap raw material. But let us look into the process.

Only one raw material

THE refinery can be self-contained, requiring only crude oil to be brought in. Some of the residual products from the refining of the crude oil suffice for heat and power. The gases from the cracking operation can be used for power and as a source of hydrogen. The commercial unit at Bayway, N. J., first removes the hydrogen sulfide from the refinery gases, burns this objectionable gas for heat, and sends the clean gas through catalytic furnaces which, under the temperatures obtained, convert the hydrocarbons into hydrogen and carbon dioxide. The latter is then removed under pressure by scrubbing through water.

The hydrogen is now ready under compression to be mixed with the oil stock to be treated. The mixture under high pressure is preheated and then sent to enormous forgings of alloy steel in



Special alloy steels were needed to make compressors which would stand the severe service to which they are put in the new oil processes

which is the catalyst. In these converters the reaction proceeds toward the predetermined product, and there follows a series of separations with constantly decreased pressure, until the product is run to storage and that part which was not converted is recirculated.

The excess gas from the separators goes to the burners as additional power supply.

This outline, which is intended to be no more than superficial, that you may not be burdened with technical details, is a brief log of a process which seems simple but involves a number of things that although they can be noted in short sentences, represent thousands of man-hours and hundreds of thousands of dollars.

It would be interesting if one could make an accurate compilation of what has been involved in the development of the special alloy steels, and in the perfection of catalysts that will withstand the sulphur, in particular, and other materials that might poison them, render them inoperative, and require shutting down the plant for their replacement. Compressors of the type required are a separate problem. In any plant of the kind the efficiency of the valves comes near to being the very heart of the whole establishment.

A romance of industry

REMOTE control, continuous dependable analyses to guard against dangerous mixtures of gases, engineering materials that will withstand the tremendously severe service and, above all, the numerous safety factors that must be introduced—these are all chapters in the romance of modern industry.

It is difficult to have those unfamiliar with the problems understand just what it means to be able to take a crude, asphaltic in its characteristics, and from it produce a long list of oils more paraffinic than those heretofore obtainable only from the highest quality paraffinic-base petroleum.

That is what results from shaking apart these petroleum molecules and pressing together again the carbon and the right amount of hydrogen. The petroleum refiner is most interested to know what he may expect from different charging stocks.

We have the feeling that if the hydrogenation process did no more than enable the production of lubricating oils to specification from any type of crude oil, it would be outstanding in its industrial contribution. It is not generally appreciated just what those few drops of lubricating oil in the right place are worth in making the wheels of industry go round, and there has been more concern about the possible shortage of lubricating oil in years to come than the shortage of fuels. We have known how to supplement our fuel supply for internal combustion engines but we have not known just what might be done on lubrication.

Thus far we have but briefly indicated the significance of hydrogenation to the ultimate consumer. On the assumption that motor users everywhere desire to continue their operation, these few facts may be of special interest. At present the United States demand for gasoline is approximately 440 million barrels annually. We have at our disposal, say, a billion barrels of crude oil.

If all of this crude were treated by processes available before hydrogenation, 600 million barrels of gasoline could be produced. If everyone used the most efficient distillation and cracking methods and made the 440 million barrels of gasoline annually demanded, then 740 million barrels of crude oil would suffice.

Ample supply of gasoline

NOW consider hydrogenation as a supplemental step, and the amount of gasoline that can be produced from crude oil becomes wholly a question of economics. If the gasoline and lubricating oils are more valuable than other sources of power, so that coal would be used to supply the heat and power of the refinery, then it would be possible to make a gallon of gasoline from a gallon of crude oil. A 100 per cent conversion program would, therefore, mean 440 million barrels of gasoline from 440 million barrels of crude. On a program of 90 per cent conversion, 490 million barrels of crude would answer. Eighty per cent would mean 550 million barrels of crude at a maximum.

Stated differently, to maintain the present use of internal combustion engines, hydrogenation makes necessary a smaller volume of crude petroleum and takes some of the pressure off the economic geologist who thus far has had to comb the earth to find additional new supplies to keep up the constant increase in the stream of gasoline. Hydrogenation, therefore, becomes an important factor in conservation. If not merely used as an excuse for bigger and better motor cars, it can bring a new sense of security to those who desire to continue to operate their motors, whether for business or pleasure.



FAIRCHILD AERIAL PHOTOS

Tremendous treasure has been spent in perfecting the new refining processes. Just to build the plant costs $600 per barrel of crude oil to be treated daily

Buyers Specify His Products

By FRED W. SHIBLEY

Vice President, Bankers' Trust Company

DECORATIONS BY LOUIS FANCHER



IN EVERY industry, certain men, though they seem little different from other men, attain outstanding success. Mr. Shibley had wondered about this. A sales agent for a textile mill gave him an answer in the phrase, "Buyers specify our product." When a product is recognized as being above the level of its competitors, the manufacturer's chances of succeeding are unusually good

A GREAT many business men and well known economists, apparently, have become convinced that overproduction is the primary cause of the general and persistent depression which exists in all forms of industry at present. It is such an outstanding cause of noncoordination between supply and demand that it is blamed for most of our current economic ills.

When we behold the sales price of a raw material in universal use declining steadily, while, at the same time, this particular raw material is being produced on a basis beyond the capacity of consumption, it is quite natural to ascribe the price decline to overproduction. When great numbers of men are thrown out of work because there is no demand for the goods they were producing, we blame overproduction.

We have become fairly certain, after several years of observation and experience, that overproduction is the disease which is gnawing at the vitals of the textile industry, and we wonder why such astute business men as the producers of textile fabrics, should operate their spindles and their looms day and night when statistics, easily available, demonstrate that consumer needs, in recent years could be filled by operating the mills only in the sunlight hours. If we look about us keenly and study the ways of men and the movements of industry, we will behold on every hand markets satiated, apparently, by overproduction of unwanted goods.

Facilities of overproduction

THERE is no question that the factories, the machinery, the power, and the human beings exist to create such overproduction. Expressed in another way, potential production far exceeds the capacity to consume. It would seem, therefore, that the fine old law of supply and demand is badly out of balance and that not only individual action, but government cooperation, is needed to coordinate production with consumption. But is the problem, in the final analysis, what it superficially appears to be, or is it as difficult to solve as seems now to be the case?

The place to find answers to all intriguing problems, social or economic, is not at a desk in a bank, law office, editorial room, or generally in areas more or less removed from the struggle of business. It is out on the firing line where things are made manifest and where cases, not theories, may be studied at first hand.

As I am intensely interested in the cotton textile industry, I recently visited many mills, both north and south, seeking to discover if overproduction was really being placed under control through cooperative restriction of spindle-operating hours. I found most of the mills in the sections visited operating on a curtailed weekly schedule in an effort to balance production with market requirements.

I visited one mill, however, where I heard no mention of the troubles of the textile industry. This mill did not appear to be exceptional. It was clean, its machinery was modern, and yet I have been in many mills which, to an inexpert observer like myself, seemed to be running as efficiently. The product was plain gray goods, produced on standard automatic looms, but all the looms in that mill were running tirelessly on this one fabric. I was informed that enough orders were on hand to keep all the looms running for several months.

Here was a phenomenon, and yet the



We shun realities, glorifying ourselves rather than the universe about us

president of the company made no explanation. I left that mill wondering, and was still wondering several days later when I met its selling agent on the train for New York. He and I recapitulated our various experiences, for he, too, had been making a trip to obtain first-hand information. Among other things, I told him of my visit to the mill which was able to run steadily on a single product in a section where similar mills were operating only in a limited way.

"What's the answer?" I inquired.

"Well, you see," he replied laconically, "buyers specify the product of that mill."

"But that product is only gray cotton cloth," I returned.

"I know," he said. "Nevertheless it is a superior product and the consumers seem to know it."

Eliminating overproduction

HERE was an idea, concrete, specific, convincing—not a new idea, but a wonderful idea nevertheless. I recognized immediately that this idea eliminated the word "overproduction" from its category of terms. If buyers specify a product in preference to all other similar products, there is reasonable assurance that the maker of such product can operate his factory profitably in periods of business depression and, of course, with satisfactory results in times of prosperity.

He has only to observe scrupulously and continuously one rule, which is not to permit his factories to grow so large that his individual attention and that of his key men may not be given constantly and untiringly to maintaining the peculiar quality which differentiates his product from competing products. He must not produce goods which consumers do not need.

There is nothing unusual in this case. We know that in every industry exceptional men prosper because of their exceptional abilities, the qualities of their products and the efficient personnel with which they surround themselves. Such men, with trained organizations producing superior products at low costs and marketing them by direct and economical methods of distribution, never seem to feel the effects of hard times. Their employees do not find themselves living an existence of ups and downs, because the time of employment runs at a satisfactory level. But tirelessly thinking and planning brains are necessary for such an accomplishment.

A man died a few weeks ago in New Jersey, leaving an estate of some 80 million dollars which had been accumulated over a long period of years, from the making of canned soup which was sold in practically every market throughout the world. Even chain stores, which might have preferred to sell canned soups bearing their own labels, had to sell his soups instead because their customers asked for them.

Better than the ordinary

ONE man makes a better automobile at a price than any other man. Buyers specify it. He succeeds, and his fellow men look upon him with wonder. He is only an ordinary man and his product is a simple piece of mechanism but, nevertheless, the best engineering thought of modern times is put into that particular automobile and every ounce of material is coordinated with every other ounce in terms of quality, tensile strength, and finish.

Another man manufactures a common soap, following exactly the system of thought and planning of the canned soup maker and the automobile man. On the surface his soap does not seem to be superior to other similar soaps, but somehow consumers generally know about it and specify it by name.

Then there is the manufacturer of towels who makes a million towels a day and sells them throughout the world. A towel is just a towel, so most towel makers think, but this man makes his towels distinctive as to quality, style, color, and finish. Buyers specify them, so he thrives and his workers find steady employment.

Another thinker again, makes a product difficult to differentiate from competing products which possess every characteristic of excellence which he has been able to devise for his merchandise. He must find a way out to the goal, profits and success, so he concentrates on costs, with a patience and a concentration his competitors have not employed. He discovers that an inefficient workman is a liability, that the efficient mechanic will do more work in shorter time than the inefficient worker, that he will build quality into his work, will make less waste in doing it, and will cause the minimum of wear and tear to the machines and tools he uses. His employer is thus able to lower costs materially and make profits which are not apparent to his competitors. This manufacturer eliminates inefficient men from his pay roll, lowers his costs, makes a better product, and realizes profits.

The modern Diogenes who travels throughout the country looking not only for the honest, but the successful man, will find him in practically every community, a prosperous farmer who knows his soil and its needs, a rotater of crops, a student of markets who plans intelli-

gently what to grow, how many pigs to fatten, how many cows to milk, and who is forever coaxing nitrogen into the soil of his farm.

He will find him in the person of a dealer in automobiles, agricultural implements, electric refrigerators, tires, or other familiar products, who knows what rent he can afford to pay for his shop, where best to locate it, how many and what kind of help to hire, how much credit to extend and to what class of customers to extend it. He will find this man operating chain stores and he will discover him also conducting an independent store in successful competition with the chains. Perhaps he may be found in the person of a manufacturer of silk fabrics who has made a profit during the current year when the price of raw silk has declined steadily month after month, from $4.85 a pound to $2.15 a pound.

Brains do not explain it all. Old-fashioned common sense plays an important part. Strict attention to business is also highly important. Such a man does not dread hard work. He loves it. He delights in success because it enables him to interpret himself primarily to himself, for nothing is more interesting and entertaining to anyone than the play of his own faculties.

"God's in his heaven, all's right with the world" is such a man's steadfast opinion.

He is deeply rooted in life, in the love of his family and of his country.

They specify his apples

ONE of these men whom I know quite well, has a large orchard in Massachusetts. His home and his barns sit on a hill where he and his family and his help can bathe in the sunshine and breathe pure air. His orchards lean to the south. Every year he has a crop. No Macintosh apples produced anywhere are more fragrant, more juicy, or more delicious than his. All his product is hand-picked, individually inspected, graded by machines, wrapped in tissue paper, packed in cartons, stored temporarily in refrigerated warehouses and then shipped either direct to consumers or to dealers who purchase, because their customers specify his apples.

That man has made a comfortable fortune on what many farmers would term worthless hillside land. He is a philosopher looking out over the world kindly from his hill, a delightful gentleman with whom to spend a few hours walking among the fragrant trees, discussing life and its meanings.

Numerous such cases crowd into mind as I write. The examples and types referred to are sufficient, however, to point out the moral of that idea which germinated in my brain when my friend, the selling agent, gave me that thought-provoking answer, "Buyers specify his product."

The potentialities of useful service and profit, the ultimate aims of every form of industry, embodied in this idea of the buyer specifying a product, are not only interesting but inspiring. Buyers specify the products of every class of men whose products, genius, skill, or ability in any form are superior. Such men differentiate themselves from those who are content to travel along the well-worn road of traditionary practices, traditionary thinking, and traditionary living. There is always a market for what they produce and for what they have for sale, whether tangible or intangible. Will Rogers has found a national market for his wit much more profitable relatively to the capital invested, than Henry Ford has found for his car.

Competition in industry is keen because there are so many competitors. Price is the dominating market factor because buyers dictate the terms of sale. As a nation we think and act too much alike. We are influenced in too great a

(Continued on page 130)



The modern Diogenes, looking for honest and successful men, will find them today in every community

THEIR NAMES MADE NEWS

★

Here are their faces



SAVINGS

Formerly New York City chamberlain, Henry Bruere becomes president of the Bowery Savings Bank, now the largest savings bank. His hobby, practical political science



HANGS ON

Iron has been Stanley Baldwin's family tradition for generations. Even though the statesman's iron shares are practically worthless, from sentiment he will not sell out



AHEAD

Cyrus S. Eaton of Cleveland is leading one of the sharpest corporation battles in history. He seems to be succeeding in blocking the Bethlehem-Youngstown steel merger



AIR LORD

The new air-rail hook-up across Canada is headed by James A. Richardson, Winnipeg grain dealer. His interests control most of the air mail contracts, conduct air schools



RESEARCHER

L. R. Smith, head of A. O. Smith Corporation, Milwaukee, believes in research. He filled a new building with scientists to find ways to eliminate needless manual laborers



REBUILDS

He was with the New York Trust Company. Now Harvey D. Gibson becomes head of the Manufacturers Trust Company which is being reorganized under his leadership



SMALL, BUT—

Of ten men honored with the title "Master Farmer" by the *Prairie Farmer*, Herbert Malsbury, Macoupin, Ill., farms the smallest acreage. His 120 acres feed fine dairy cows



NEW KAHN

Gilbert Kahn, oldest son of Otto H. Kahn, becomes a junior partner in Kuhn, Loeb & Co. His banking experience was with Equitable Trust, where he worked up from the ranks



HORYDCZAK, WASHINGTON

It is estimated that the proposed postal rate increase would cost business organizations about $40,000,000 a year

Why the Post Office Loses Money

By CURTIS HODGES

Of the staff of NATION'S BUSINESS

● NOT long ago the Postmaster General proposed an increase in first-class postal rates. If this proposal should be carried out, you, along with almost everyone else in the country, would be touched in a sensitive spot, the pocketbook. In this article are the important facts about the postal situation

POSTMASTER General Walter F. Brown proposed recently to raise the rate on nonlocal sealed letter mail from two cents to two and one half cents an ounce and in that way eliminate the actual postal deficit of something like 50 million dollars a year. Congressional sentiment favors continuing the practice of paying the deficit out of the public treasury.

In a question such as this it is merely a matter of which public pocket loses the money for the public always pays. The public is the champion A-1, 100 per cent deficit payer.

The idea of the postmaster general in his proposal is that the Post Office Department should be handled as any utility is handled and that the income should meet the expenses. There is one advantage in this view. It is that there might be a tendency to watch expenses more carefully.

The benefit of the public it seems lies chiefly in the business of eliminating unnecessary expenses.

The public pays, either way

IF MR. BROWN'S proposal should finally meet with favor and should come up to his full expectations, the public would still be paying a deficit of about forty million dollars—painlessly. Mr. Brown would not expect the proposed increase to do more than wipe out the actual postal deficit which is around 55 million. The entire deficit is about 95 million dollars. But approximately 40 million of the entire deficit is incurred as a result of special and nonpostal activities such as franked mail, penalty mail, expense of air mail and other special services.

But this 40-million-dollar special and nonpostal deficit has already been "taken care of." By an act of Congress, the postmaster general is able to eliminate this part of the deficit in a bookkeeping way.

This deficit is paid just the same out of the public treasury but the postmaster general is not compelled to take it into consideration in his comparison of income and expenses.

The idea of those who oppose Mr. Brown's plan is that the post-office business should be regarded as a service. It is pointed out that the heart and essence of private business is profits.

Said one congressman: "If the post office were conducted as a business, a great many conveniences and services would be immediately discarded. The rural free delivery with all its value, but

(Continued on page 88)

Can Farmers and City Men

By T. N. Carver

Professor of Political Economy, Harvard University

ILLUSTRATIONS BY SYDNEY FLETCHER

THERE is an old but persistent fallacy to the effect that no one can get rich without making someone else poor. It is variously expressed. Sometimes it is said that if there were not so many rich there would not be so many poor, or that if there were not so many poor there could not be so many rich. As in most persistent fallacies, there is at least a grain of truth in this theory.

The trouble is that too many and too sweeping conclusions are drawn from that small grain of truth. When a racketeer gets rich he does, of course, get rich at the expense of someone else. It is equally true that a man may get rich by making others richer, that is by giving the world something which is worth more than the world pays him.

The fallacy seems to rest on the assumption that there is a fixed quantity of wealth in the world and that as one person or one group gets more of it less is left for others.

"If a certain man or his family should continue to get richer during the next hundred years, as it has during the last 25 years, it will own the country and all the rest of us will be its dependents."

"One dollar, put at compound interest, and allowed to accumulate for a few centuries, would amount to a sum far exceeding all the wealth in the world."

How do they make money?

THESE and similar statements are in general circulation, and are calculated to give the impression that there is something inherently dangerous to the rest of us in the very nature of the money-getting process, whereas everything depends on the methods by which money is gotten or wealth acquired.

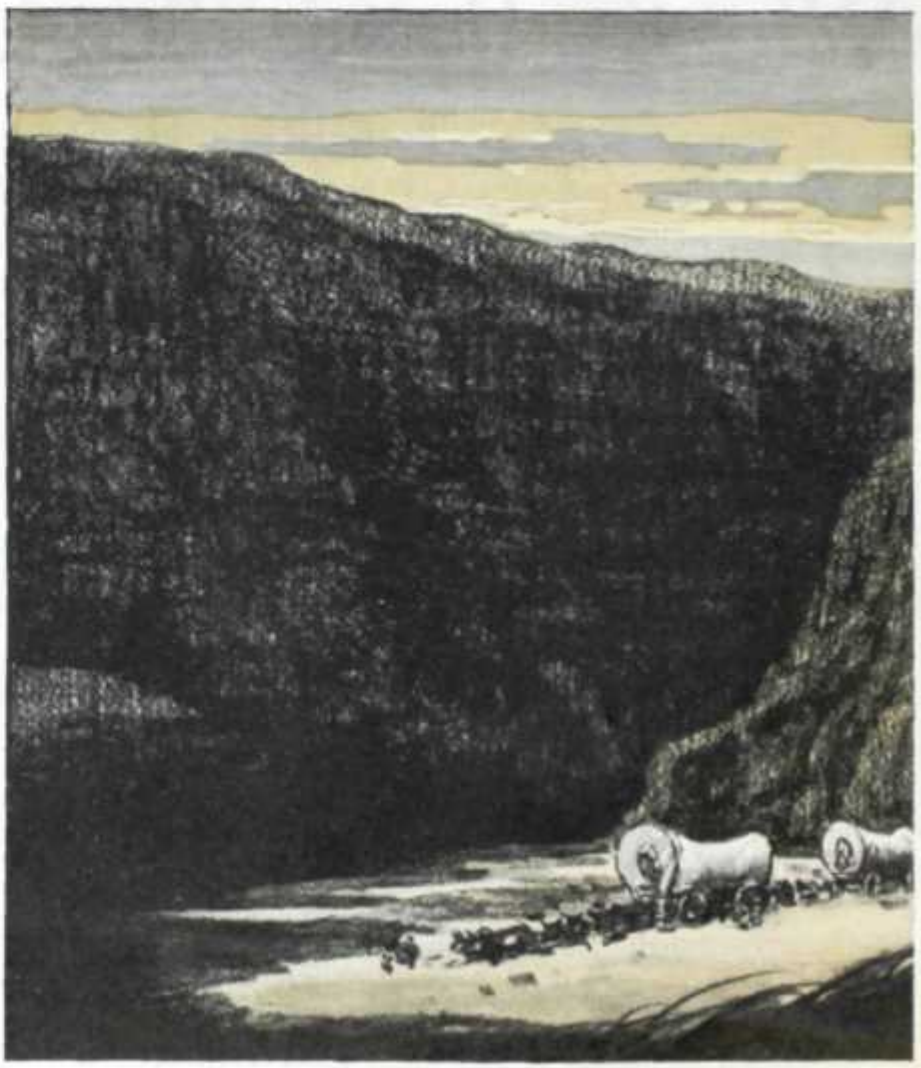
If, for example, every time Mr. Ford made a dollar for himself, he made it by subtracting from the wealth of the rest of the world, one conclusion would follow. A very different conclusion would follow if it were found that every time he made a dollar for himself he made the rest of the world two dollars richer.

If the borrowers of the dollar which is put at compound interest invest it in new tools, and, through their use, succeed in making more than twice as much as they pay in interest, the lender can never, by any possibility, own all the wealth of the world. The borrowers will gain on him every year and in the end, be richer than he.

Of course, this is not saying that all men who make money make it by giving the world more than they get. It is saying, that they do not all make money as the racketeer does. Every civilized nation is trying, and with some success, to make it difficult or impossible to get money by methods which impoverish others, and to encourage the making of money by methods which enrich others. Progress is measured by the success with which this is accomplished.

Profits make sound loans

AGAIN, it is not true that every borrower can increase his production sufficiently to enable him to pay interest and get rich besides. Nevertheless, some do



The invasion of the hunting grounds by peaceful

Both Prosper?

"THE rich get richer and the poor get poorer." This statement is sometimes regarded as economic fact. Professor Carver examines it, disposes of it—and also of several other common economic fallacies

and wise lenders always prefer borrowers who can and do. Great financial houses, as well as small cooperative banks, prefer to finance productive and profitable enterprises rather than to lend on sound collateral without regard to the purpose for which the loan is to be used.

One of the most recent and most unexpected restatements of the fallacy with which we are here concerned is found in an article by Professor W. E. Dodd in the New York *Times* on "The Long Trail to Farm Relief." In discussing the possibility of making the farmers prosperous without injuring someone else, he says, "Is it possible to make all classes rich at the same time and keep them so? It is not possible He (Smith) thought a nation could lift itself by its boot straps, that all classes might be aided by all classes; that no class needed to be poor, as if poverty were not necessary to riches."

There may be plenty for all

IF Professor Dodd merely means to say that it is of some advantage to city dwellers to have cheap food from the farms, no one could deny it. He would not be open to criticism if he were to say that, if the farmers will be content to work for very little so that city dwellers may have cheap food, the city dwellers will be glad to have them do so. But when he says that city dwellers cannot prosper if the farmers also prosper, he is going too far.

It amounts to a flat denial of the possibility of a high degree of prosperity for everybody. Such a conclusion could only be supported by the assumption that there is a fixed or definitely limited amount of wealth to be had and, if some are to enjoy abundance, others must necessarily be impoverished. He might even go so far as to say that one class or group may sometimes or frequently gain at the expense of another. But to



infiltration is, in the end, just as disastrous as military invasion

imply that it is impossible for one group to prosper except at the expense of another is to ignore some rather important economic facts.

There is nothing inherently impossible or even especially difficult in a program for the general diffusion of prosperity among all occupations throughout the country. All occupations can be given larger and larger incomes. This can be done without changing one essential feature of our present economic system. All that is necessary is, first, to continue to encourage improvements in the arts of production that the average product per worker may continue to increase. Second, to take such measures as will avoid occupational congestion. The first policy will increase the national dividend, the second will insure a more and more equable division of that dividend among all classes.

Help for unskilled labor

TO AVOID occupational congestion, the first and obvious thing to do is to restrict immigration still further. Even this country cannot carry the burden of unemployment and poverty for the whole world. So long as other countries with less enlightened policies than ours continue to relieve themselves of unemployment by sending their unemployed to us, we shall continue to have occupational congestion, that is, the overcrowding of the ranks of unskilled labor.

The second and almost equally obvious thing to do is to improve on our educational policy. By means of this policy we are encouraging the movement of workers from the more crowded to the less crowded occupations. This tends to thin out workers in the unskilled manual trades and to increase them in the higher intellectual trades where men are always scarce, though much scarcer in countries with a poor educational system than in countries with good educational systems. A high birth rate among the poor and uneducated has the same effect on the oversupply of manual labor as immigration. One of the results of universal education is not only to reduce the number of ignorant and unskilled workers, but to reduce the birth rate among the few who remain in that state.

No hunting tribe could ever maintain a standard of living above that of its neighboring tribes until it was able to control its own hunting ground. So long as more prolific and hungrier tribes could invade its hunting ground, they could reduce it to their own low standard of living. Tribes and nations do not escape from this stern necessity of controlling their own sources of supply when they change from hunting to herding, from herding to tilling, and from tilling to manufacture and commerce. The invasion of the hunting ground by peaceful infiltration would be, in the end, just as disastrous as military invasion.

It is true, of course, that the laws of economics are universal and no tribe or nation can monopolize one of them. Nevertheless, one tribe or nation may work in harmony with these laws and prosper, whereas others may ignore them and fail to prosper. If the enlightened tribe or nation is to gain the advantage of its own enlightenment it must find some way of preventing the unenlightened peoples from destroying its prosperity by making it relieve them of the consequences of their stupidity. Without some protection of this kind the results of enlightened economic policies are at the mercy of the most gluttonous consumers and the most reckless breeders of mankind.

The title of Professor Dodd's article, "The Long Trail to Farm Relief" is well chosen. It is a long trail, though not, I think, for the precise reasons which Professor Dodd has given. The principal reason is that, during the last 75 years, farming has been terribly overdone in this country. Under the Homestead law excellent farming land was given away to those who would settle upon it and bring it under cultivation. This resulted in such a rapid expansion of farming as to produce an agricultural depression over the whole of Europe and America.

Too many farms given away

THE land was given away not only to our own citizens but to anyone who would declare his intention of becoming a citizen. This invited millions of European emigrants to come to this country and begin plowing up the sod and growing crops. In later years Canada has been pursuing the same policy. This has tended to perpetuate the oversupply of wheat.

Wheat is one of the best of dry-land crops. More than half the wheat of the world is grown on land too dry for ordinary farming. Besides, vast areas of semi-arid land, still uncultivated, are suitable for wheat growing. The immediate outlook for the wheat grower does not seem bright no matter what our Government may do. The substitution of gasoline as motor fuel for hay and grain as horse feed is another reason for the farmer's condition.

Professor Dodd's statement that "a farmer must compete with all the world when he sells his output" is true so far as wheat is concerned. It is also true of the ordinary short staple cotton, as this country exports both those crops. We import special varieties and, through protection, the grower of these special varieties may gain some advantage.

The more perishable crops, however, are usually grown nearer the centers of consumption than are wheat and cotton. In England, for example, milk has become the greatest single agricultural product. It is tending

(Continued on page 136)



Every nation is trying to make it impossible for men to get money by means that impoverish other men



Better roads are one cause for dwindling banking business in the smaller towns

The Unit Bank Is Not Doomed

By ROME C. STEPHENSON

President, American Bankers' Assn., South Bend, Ind.

PHOTO-CARTOONS BY RITTASE

★ **THE CONFLICT between unit and group banking is being fought chiefly in the conversations of onlookers, says Mr. Stephenson. The banks themselves are engaged in no contest except that of giving better service. In this they are on an equal footing. Here is an intelligent view of the banking situation**

THE field of banking in America, so long held exclusively by the unit or independent banks, is being shared now with a considerable number of multiple bank organizations whose resources aggregate a material portion of our total banking strength. Their growth has been almost spectacular in the last several years and they are found in practically all states. To those outside the banking business, who are not familiar or concerned with the studies being made continuously to expand the usefulness of banking services, this movement appeals as the most important and, perhaps, the only major, present-day development in banking. It seems to overshadow the really more vital, but less conspicuous, changes which constantly are improving the operations of banks of all classes.

So, notwithstanding the great preponderance of the number of unit banks, a discussion of banking problems turns to the subject of multiple banking. There are evidences that at times the appraisement of it is confused.

This confusion does not arise from the nature or extent of the growth of this form of banking, or from doubts of the high character of its service. Rather it originates in the attempts to determine just what part multiple banking will play in the future. Its growth is significant. It is far reaching and has presented many unusual problems which its supporters are striving earnestly to solve. Their success is reassuring and there is a feeling that problems still existing will be solved in due time.

Independents joined groups

THE corollary of the growth of multiple banking, of course, is the contraction in the total of independent or unit banks. Their number has been lessened necessarily by the spread of the newer form, because there was no other source from which its following could be recruited. No appreciable amount of unattached bank patronage existed and, therefore, a new style of bank grew at the expense of the established one. This refers, though, only to volume and not to prestige.

The great amount of business thrown into the group and branch systems brought them a good deal of publicity, but there has been no lessening of respect for the unit form of banking, nor has there been any wavering of the belief that the independent banks will always provide a considerable part of the required financial service.

In a measure, however, unit banks

temporarily have been put on the defensive. Unfairly to them, their position has been clouded somewhat by the rapid development of the other form and unthinking speculation holds the future in doubt. Part of this uncertainty might be cleared away by a statement of some pertinent facts; if it were generally understood what the relations between the two forms of banking are.

Groups don't hurt unit banks

IN the beginning, it should be made clear that no deadly rivalry exists between them. There is nothing in the make-up of either so repugnant or so dangerous as to constitute a menace to the other. The unit banks, as a class, are not arrayed against the groups and branches in the conduct of their business.

There is keen competition but it is between banks rather than between classes. Neither hinders nor deters the work of the other. Each recognizes its responsibilities to its community and strives to give a full measure of banking service in its sphere. There is room for both and so long as there is no interference with individual plans there is no antagonism and the relation is amicable.

In the American Bankers' Association no distinction is drawn between these classes. Studies are being made to determine how practices may be improved. Surveys and analyses are continuously a part of the work which seeks to spread a better understanding of the character and purposes of banks, and which will aid in extending their services. In this all members participate and profit alike. They go along hand in hand and work side by side to improve their profession and strengthen their positions.

But, in spite of the many evidences of this willingness to bend their individual efforts to the common good, many persons seem to assume that multiple banking will continue—that it is assured a permanency—while there are some expressions of doubt that the independent bank will survive. However, only a comparatively few persons hold this notion, a notion that could arise only from a very superficial examination or a misunderstanding of the facts. Possibly, too, it is aided somewhat by the mortality among banks in the last decade.

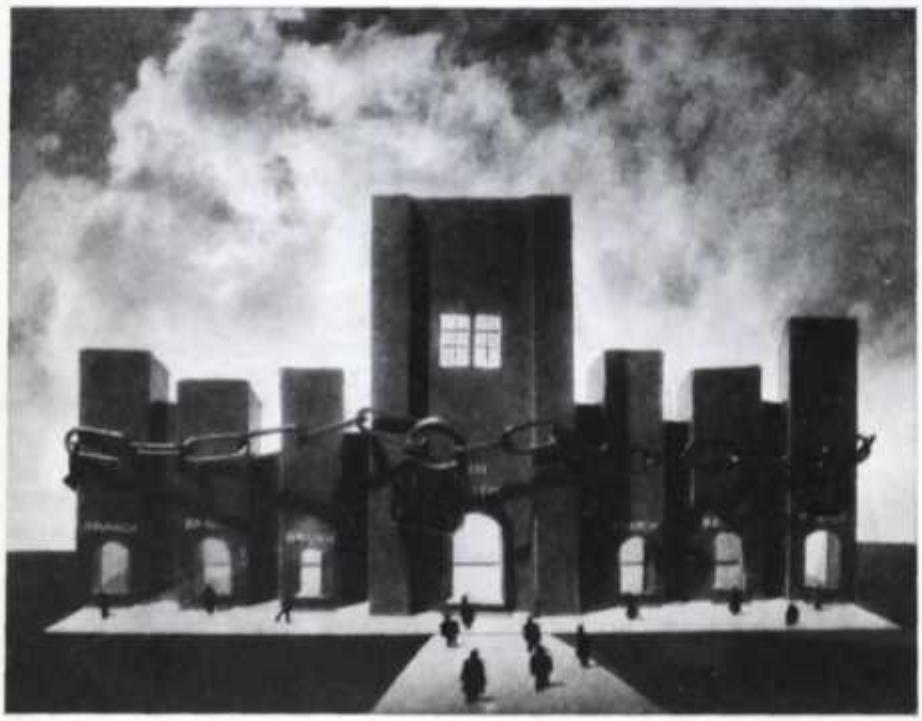
It should be remembered, though, that the term "small bank" is not synonymous with "independent bank," and that the term "large bank" does not imply necessarily a lack of independence or a connection with a group or chain or branch system. Banks of all sizes and all types are found in each classification.

It is deplorable that so many banks have been forced to liquidate within the last few years. They were found in small towns and in large cities, they included institutions of considerable size as well as many lesser ones, and some of them were independent, while others were of the multiple type. However, they did not spread over the entire United States. In some states only a few failures were recorded. Other states had no failures at all. Obviously, therefore, the suspensions cannot be considered an indictment against any particular form of organization, and clearly not an indication of a breaking down of the unit system of banking.

Rather the fault lies in the attendant circumstances. The conditions which swept so many banks into liquidation also made merchandising and manufacture and agriculture precarious undertakings in those same places. They caused the final surrender of countless units to the grim forces which determine our business destiny. So bank difficulties in any form cannot be said to have caused local business reactions and depressions. Quite the contrary is true.

Conditions in business generally, and especially sharp setbacks in specific industries, cause the closing of many banks, for all business in a community is more or less interwoven. Each section depends on some other for support, and participation in the rise of prosperity, as well as in its fall, is shared pretty largely by all.

Much of the thought that multiple banking may supplant the unit form grows out of the liquidations forced in small towns where necessarily the banks were not large. This, however, does not defame either the small towns or the small banks, whatever their character may be. Most of them are still serving their communities in a satisfactory way and are expected to continue to do so. But some of them seem to have been organized in places too small to support banks and where none should have been established, or in towns which have shrunken in population.



Where too many banks exist, mergers are adding to the general strength of banking and making the independent bank more secure

Towns that become suburbs

THESE latter are not now sustaining the same amount of any type of business that once thrived there, and some banks found it impossible to continue. An economic change has come over our nation and our people. Many smaller towns have become virtually suburbs of the larger places, and a readjustment of business, including banking, could not be avoided.

Quite as potent as any other single factor in the dwindling of banking resources in the small towns and villages is the improvement in transportation facilities. Better roads and means of more rapid locomotion have carried people and business to larger towns. But even there the banking may be, and likely is, still done by unit institutions. It is not the independent banking sys-

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in 131- and 157-inch wheelbase



Chevrolet truck with Stake Body on 131" chassis

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Because of full-length frames, which support the bodies throughout their entire length, you can mount bodies of unusual size and capacity—a nine-foot body on the 131-inch model, and a twelve-foot body on the 157-inch.

And you can buy either of these trucks complete with a Chevrolet body, designed by Chevrolet engineers, built in Chevrolet plants to Chevrolet's high standards of quality, ruggedness and durability.

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1½-Ton Chassis only $520

DUAL WHEELS $25 EXTRA

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157" Wheelbase

1½-Ton Chassis only $590

DUAL WHEELS STANDARD EQUIPMENT

1½-Ton Stake Truck Complete with body $810

All prices f. o. b. factories

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN

Division of General Motors Corporation

CHEVROLET SIX CYLINDER TRUCKS

stem which has failed, but rather it is the small towns which have broken down. From such of them as are still able to support banks there will be no exodus to the cities, and neither is it expected that the form of bank organization will change.

Another and an important development in present-day banking is the movement toward consolidations. It is not confined to any one class of institutions. Independent banks have united and, likewise, groups and branch systems have improved their organizations in the same manner. The total of consolidations is rather large and is particularly praiseworthy where it lessens the number of units in an overbanked territory. Where too many banks exist, mergers are encouraged. They have developed greater banking strength in many communities which have profited greatly thereby. Likewise, they are adding to the general stability of banking and, accordingly, making the position of the independent bank more secure.



Under the banner of unit banking, American initiative and perseverance have received their greatest encouragement

Independents will continue

A CAREFUL study of all the pertinent facts reveals no material evidence that the unit bank has run its course. Whether its number is to increase or to diminish, it will not disappear. It is sometimes argued that, like the independent merchant and the independent manufacturer, the unit bank will lose its identity. However, this is not very convincing, especially when the accuracy of the premise is considered. Is it a fact that the small merchant and the small manufacturer have disappeared? Are they not still found everywhere throughout the length and breadth of this land?

The number is lessened, to be sure, but they are still here, and the aggressive ones are alive to the advanced methods of conducting their establishments and are forging ahead.

Even if the premise were correct it would not follow that the independent banks will fade out also, for the attempted parallel cannot be drawn. The merchant deals in commodities which possibly can be supplied to the public more advantageously through a larger number of points of contact. There may be some merit in this contention, but the business is more or less impersonal and sympathetic understanding is not essential.

Banks, though, deal in credits based primarily on confidence. Continuous and direct and close personal relationship must be sustained. This relationship, fostered by friendly cooperation, is an element not forbidden or unknown to any form of bank organization, but it was developed through the years of independent banking and has established itself so thoroughly that it is not likely to be uprooted.

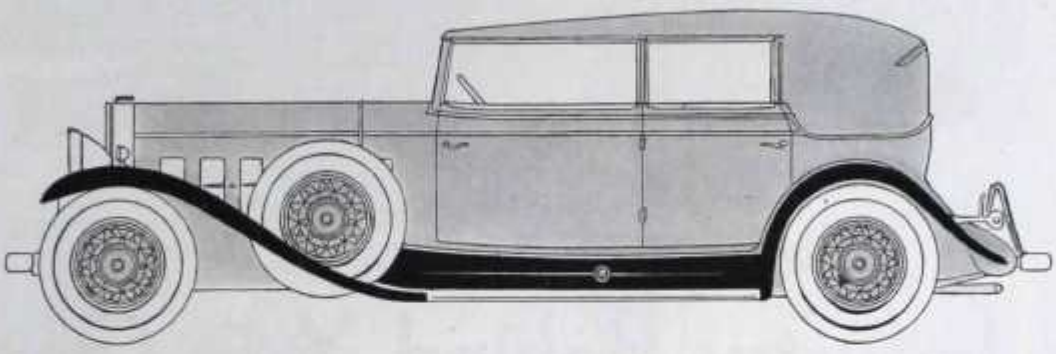
Banks have equal advantages

TOO, the multiple store organization attributes some of its success to its ability to buy in large quantities at lower costs and even to produce some of its merchandise. It purchases from centers far removed from its sales territory.

The banking picture, though, is different. Deposits come from the local community. Ability to attract them rests alike with the large and the small banks —with the independent and with the multiple banks. Likewise, the funds are loaned in the same local community upon the same bases by all classes of banks. Loans are as acceptable from one as from the other, and the public is not much concerned about the affiliations of the banks with which it deals. If they provide the proper facilities for transacting business, and unit banks and all others are striving toward that end, little more is asked. So the factor which draws clients to banks is not so much their form as the services they provide,

(Continued on page 118)





The V-12, 5-passenger, all-weather Phaeton with body by Fleetwood

AMONG the four lines of motor cars which comprise Cadillac's distinguished family, there is every degree of elegance and luxury the sophisticated motorist could require. Favorite of a large and discriminating number is the Cadillac V-12—heir to the superlative performance of Cadillac's multi-cylinder design, yet of slightly less wheelbase than the V-16

Priced from $3795 to $4895, f. o. b. Detroit. The liberal G.M.A.C. payment plan is recommended to all purchasers

Cadillac Motor Car Company, Division of General Motors

CADILLAC V-12



U. S. DEPARTMENT OF AGRICULTURE

An onion field which will supply seeds for thousands of home gardens

The Industry Behind Your Garden

By ROBERT S. LEMMON

Managing Editor, "House and Garden"

●

HERE is an insight into a kind of farming that is seldom heard about. These farmers realize as much as $10,000 an acre for their product. They not only support a huge industry of their own, they also provide recreation and hobbies for a growing number of business men engaged in other lines of work

AT THE International Flower Show in New York City last March 142,000 persons paid an equal number of dollars to pass through the doors and view the beauty within. That was 15,000 more than visited the 1929 exhibition in the same hall and nearly five times as many as saw the show ten years ago.

Now, 142,000 persons constitute a considerable crowd, and that many dollar bills is a considerable sum even in these days. Especially when you think of them in terms of interest in flowers and foliage, seeds and shrubs.

As a matter of fact, the increasing throngs who attend the International Flower Show every year—and others like it in Boston, Cleveland, Philadelphia and other large cities—are but a small fraction of those who would go if they didn't live so far away. They symbolize an enormous and constantly growing garden-minded public which supports an industry whose size even they rarely suspect. Consider for a moment these facts:

200,000 acres for seeds

ACCORDING to the latest available figures, some 200,000 acres in the United States are devoted exclusively to the production of vegetable and flower seeds for sale. Heaven knows how many more are devoted to shrubs, trees and other nursery stock. Two thousand of them grow nothing but sweet peas, yielding a million and a half pounds of seed annually. One of the nasturtium specialty farms has realized as high as $10,000 an acre for the seed which it grew and sold.

Having let this sink in, think of the 200 million pounds of vegetable seeds which we, as a nation, consume annually—including 500 tons of lettuce seeds, each about the size of the minute stuff which we feed to the family canary.

Where does it all go? Well, a good deal is exported, and a lot more goes into truck farms and commercial cut-flower and plant establishments. But a staggering number of tons of these seeds find their way to retail stores where they are sold over the counter in the ten and fifteen cent packets which the amateur gardener carries home to sow in his backyard. It is perhaps indicative of the volume of this market that the trade itself does not know exactly what its retail distribution actually



Value Your Trucks On The Basis of Earnings

On the sound basis of actual cost records, Reos have won the recognition of the world's leading industries. Men who study overhead—who insist on strict economy in every detail of their business — are quick to profit by the money-saving advantages these trucks give. One Reo in your business will earn enough for another Reo, and that in turn for another—and so on through the building of a whole Reo fleet!

REO MOTOR CAR COMPANY
LANSING • • MICHIGAN

SPEED WAGONS REO AND TRUCKS

When visiting a Reo Truck dealer please mention Nation's Business

totals. A suggestion of its magnitude, though, is found in figures quoted by the firm of Stumpp & Walter as their share —more than two million packets of flower and vegetable seeds put up annually, not to mention an enormous sale of seeds in ounce, quarter-pound, pound, five-pound and 25-pound packages.

They know more about flowers

I TALKED not long ago with one of the largest retail seed merchants in the East. He said:

"The people of America are ordering as they never did before. By this I mean that more of them know better what they are about than has been the case before. The old days of, 'I want to buy some flower seeds,' are going. Now customers specify special named and improved varieties. Somebody—I suppose it may have been organizations like the garden clubs and the various magazines devoted to gardening and home-making—has been doing a good educational job. We fellows in the trade have to be on our toes nowadays to keep up with what our customers know about the game.

"What about the future of the horticultural business? Well, that involves some pretty complicated issues, but personally I believe that the industry has hardly more than scratched the surface."

Somewhat the same thoughts were expressed by G. O. Stumpp, of Stumpp & Walter.

"There is no doubt," he told me, "that the woman is slowly becoming the gardener of the home, a fact which is growing more noticeable each year. She is more discriminating in her purchasing than is the man, more likely to get information out of the catalogs and to plan her garden ahead. Usually she knows what she wants and it is up to the seed houses to supply her desires. Hence, she plays an important part in the editing of the various catalogs and is almost entirely responsible for the increased buying of named varieties.

"There is a huge demand for perennial flowers, for this type is finding its way into more and more of the small home gardens. At present this is one of the most fertile fields and indications point to it as one of tremendous possibilities. We find the leading kinds of perennial seeds to be—aquilegia, campanula, chrysanthemum, digitalis, delphinium, gaillardia, hollyhocks, lupine, poppies and sweet william. Of course, the sales of the roots of iris, peonies and phlox exceed the kinds just mentioned."

Another leader in the trade—David Burpee, president of the great seed house which bears his name—was asked for his opinion of present trends. His answers were illuminating:

"Our experience in retailing seeds indicates that styles in seeds fluctuate—hardly from year to year, but covering periods of years. Style or demand for seeds does not fluctuate much in a single year. It has been our experience that the demand for nasturtium seed, for instance, has been falling off continuously for ten or 15 years. On the other hand, the demand for zinnias, the old-fashioned youth-and-old-age, has been steadily increasing for at least 15 years. Sweet peas came to the front 30 years ago and retain first place in popularity among all the annual flowers.

"The most popular annual flowers for 1930 and 1931 are sweet peas, asters and zinnias, and, with our company, sweet peas are three times as important as either of the others.

"The demand for vegetable seeds has been just about stable during the past five years, while the demand for flower seeds generally has increased each year. We always find, however, that in a period of considerable unemployment the demand for vegetable seeds increases.

"The retail buying public is choosing named varieties more than ever. Gardeners in America are becoming more discriminating and are demanding the best.

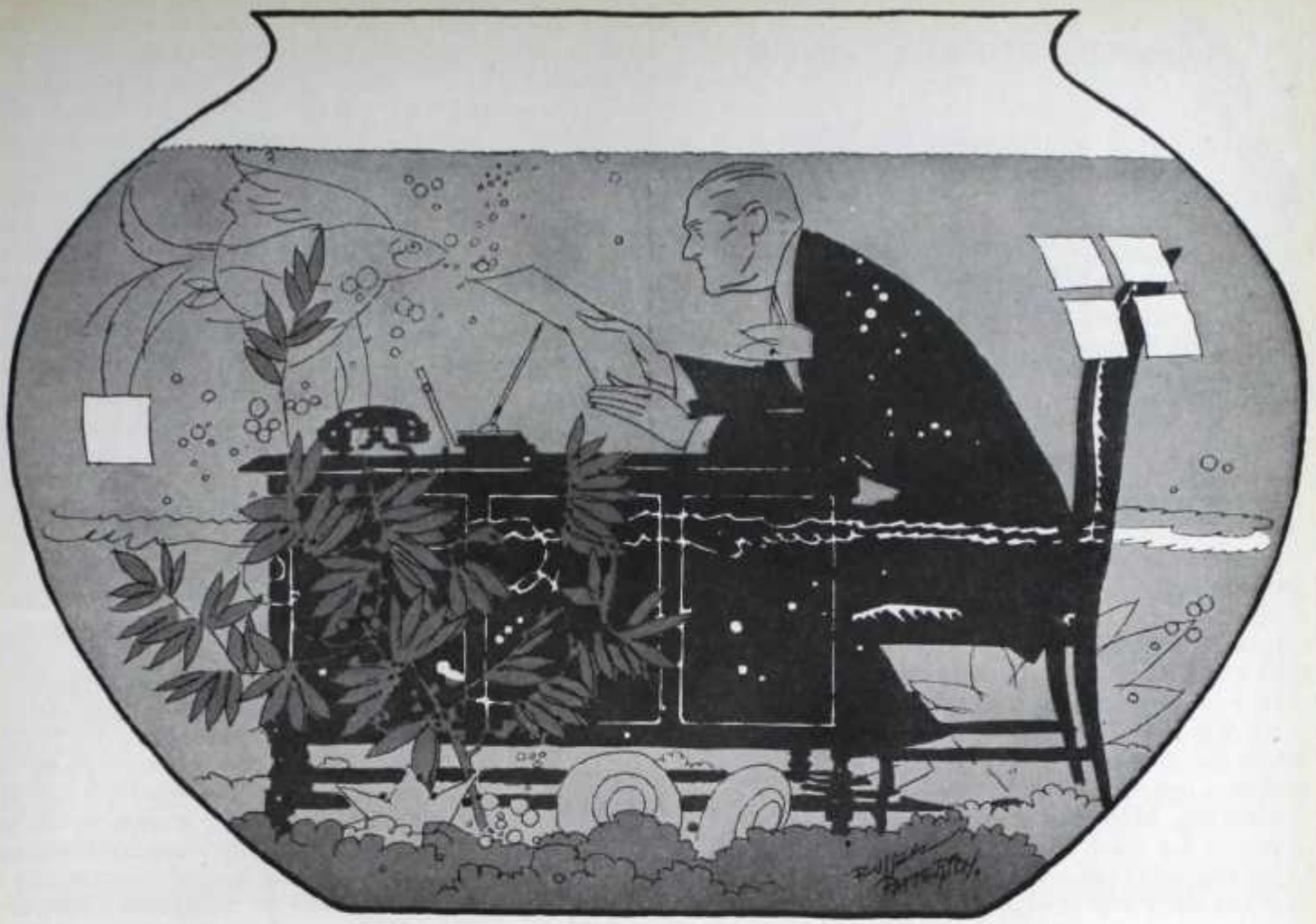
An intricate profession

"I THINK there is one thing about the seed business that people in other lines of business do not appreciate. The seed business in reality is a profession and it takes almost a life time to master its details. It is a small industry and yet a complicated one. We are selling approximately 3,000 distinct articles of merchandise, or rather varieties, which are living organisms subject to change from year to year. These must be constantly improved lest they revert to the less desirable types from which they were developed. Some of the varieties



U. S. DEPARTMENT OF AGRICULTURE

Harvesting radish seed in the fields of one of the big seed-producing companies is a major operation. This picture was taken in California, the center of the industry



Less privacy than a GOLDFISH

The goldfish has met its rival. In a thousand offices.

Although the 14 karat sardine may be exposed to public gaze his bowl is, at least, as calm and quiet and peaceful as his native seas. None of that clatter and noise and public clamor that even important executives suffer throughout the precious hours of their business days.

That clamoring, yammering chorus of noisy typewriters. Shocking your nerves. Mocking your concentration. Beating down your efficiency with banging hammer-blows.

To you the REMINGTON NOISELESS Typewriter will bring the blessed privacy of quiet . . . and the added personal efficiency that follows in its train. You can sit in the midst of a battery of typewriters with no assault and battery to your nerves.

For, first of all, the NOISELESS is . . . *noiseless.* But efficient as a Remington product would have to be. A better typewriter built on a sounder principle . . . a pressure-stroke instead of a hammer-blow. And strange to say, the very qualities that make it noiseless . . . its finer materials and workmanship, its closer tolerances . . . also make it a better writing machine. Noiselessness is always a sign of a better-made machine, whether it be a motor car or a dynamo or a typewriter. And the REMINGTON NOISELESS proves its excellence in the quality of its work. It manifolds like a charm . . . fine, clear, easily read carbons. And it "writes" like a printing press . . . smooth, even-toned, exactly aligned letters. Your stenographer will give three cheers after three minutes with a NOISELESS.

A telephone call will bring a REMINGTON NOISELESS to your office for a demonstration. Phone our nearest office . . . REMINGTON RAND BUSINESS SERVICE, INC., Typewriter Division, Buffalo, N. Y. Sales offices in all leading cities.



Remington Noiseless

IT TAKES THE *Bedlam* OUT OF BUSINESS

of vegetables and flowers commonly seen in American gardens today are undoubtedly the result of thousands of years of human selection."

Examples could be cited almost indefinitely to prove the awakened intelligent planting interest of the American public—the phenomenal growth of the garden-club movement since the war, the even more striking advance in the demand for seeds and plants suitable for rock gardens, the present strong market for superior delphiniums, lilies and the finer native American wildflowers.

Supplying an eager public

WHEN I say that one of the shrewdest business minds in this country has thought it well to establish an organization with assets of nearly three million dollars to supply ornamental plants I am mentioning only one of the indications that the horticultural investments of America are no temporary flurry. When the public is so eager for fine flowers that it will pay $150 for a single bulb of a new variety of narcissus, as is being done right now; when a single grower in the South can market in a single year one million bulbs of regal lily; and when it is possible to see in the greenhouses of a New Jersey concern two million potted azaleas all of the same kind and age—then, I maintain, we are standing fairly close to the threshold of big business.

Yes, fairly close to it, and yet the gap will take a lot of filling. No fair-minded, informed observer can escape the conclusion that the horticultural trade, generally speaking, is made up of men who are still living in the comparatively dark ages of business organization. The tendency among them is to follow rather than lead. Instead of constructively, aggressively, modernly getting out after orders, too many of them sit back and permit orders to come to them. Their sales creative efforts are worse than prewar; many times they are pre-century. In a sense, the horticultural trade—seeds, plants, shrubs, trees—has grown in spite of itself.

Take plant or seed advertising—billboard, newspaper, magazine, catalog, show window—any kind you wish. How much of it really sells anybody the idea of starting a garden? Most of it consists of announcements that So-and-so has such-and-such lilies or roses or asparagus roots at such-and-such prices. Send for them if you feel like it! Not very efficient, in view of the thousands of potential customers who could be sold by really selling them the idea.

Within their own organizations, too, many of the growers and retailers are behind the times; their waste of time, effort, money and merchandise is on a par with the quality of their advertising. Few of them maintain accurate cost sheets; figuratively, their records are kept in their heads.

True, they face difficult professional problems, not the least of which is that the production of a salable item may require anywhere from six months to ten years, depending upon whether it is the seed of an annual flower or vegetable, a new rose, perhaps, or a dwarf evergreen.

Again, there is the uncertainty of guessing what the customers will want two, three or five years hence, not to mention the physical risks of production as represented by the weather, insect pests and what-not. But, even allowing for these things, there is a lot of misdirected effort, and a lot more that isn't made at all.

One important reason for this situation, I think, was hinted at not long ago by a leading nurseryman—a genius who has done his full share in propagating those finer classes of plant material which the public is learning to demand.

"What I need," he said, "is somebody who can teach me how to sell. I can grow the stuff, all right; but how am I going to get the people to buy it?"

There you have it. They can grow, but too few of them have real business training. The horticultural trade cannot reach its potential peak without sound business management any more than can the shoe business or the motor industry. When its organizing and merchandising ability approaches its plant cultural skill, then you will see something.

Sounder organization needed

THESE statements are not made in a spirit of disparagement, but rather of explanation. The horticultural trade in this country, as elsewhere, is contributing incalculably to the world's beauty, enjoyment, and material well-being. But judged from the standpoint of straight commercial organization, its brakes are dragging. Only here and there does a real leader emerge. When one does come forward, his profits are likely to be plenty.

The present situation, too, has been built up largely by conditions which few outside of the trade realize. In the old days—20 and more years ago—large quantities of a great variety of plants were imported. The American plantsman was not nearly as much of an actual producer as he is today; he imported much of what he needed, already grown. His problems of supply and demand were relatively simple.

Then came the federal quarantine, shutting out most of this foreign material. Immediately American growers were forced into production on a hitherto unprecedented scale. Figuratively, they dropped everything but the plow, hoe and grafting-knife. Their eyes were fixed on the soil year in, year out—and so were the eyes of thousands of newcomers in the business who, without experience, thought they saw in it the world's greatest get-rich-quick scheme.

Is it any wonder that they built up an enormous surplus in a vast number of species? Overproduction and underselling—as fine an example of these two evils as you could ask for. So their big problem now is to move all this stock profitably. Their experience hasn't fitted them to solve it.

Better methods are coming

IS improvement in sight? Certainly; it's already under way here and there. As the younger generation takes hold of the business, which, in many cases, its fathers (and sometimes grandfathers) founded, it naturally brings in more modern ideas of management, advertising and marketing, if not of growing. Many of these younger men have educational advantages which were impossible when their fathers were getting started—college courses, special business training, the precepts of professional landscape architects, the stimulation of a vast new gardening literature. Naturally their outlook is broader and they realize that producing is only the beginning. More and more they are introducing proper accounting systems; expenditures are better controlled and directed; records and methods are improved and the tendency is toward rising analytical efficiency all along the line.

If the real or fancied necessity for restricting the shipment of finished plant material by governmental quarantines against insect pests and diseases does not lead to too great curtailment of distribution, there is hardly a limit to the strides which the horticultural profession may make.

For America is hardly more than at the beginning of its gardening career. One and a half million pounds of sweet pea seed, a ten-thousand-dollar an acre yield from nasturtiums, or daffodil bulbs no larger than an egg and selling at $150 each—these are facts already achieved. To what lengths may they not be extended when, with far greater consumer potentialities than England, we have been at it as long as they have?



The NATION'S most FAMOUS Cereals too—

EVERY morning when America sits down to breakfast, millions of packages of cereal contribute their contents. Cereal is the universal American breakfast food. Few packaged products equal it in unit volume of sale.

A major packaging job, this—calling not only for speed to keep up with tremendous productions but thoroughness, and cleanliness to protect the product and the manufacturer's reputation. Here again, as in practically every packaging industry, the largest producers of the country's most famous cereals, package their products with Pneumatic Scale packaging machines.

The problem of the best method of packaging in your plant has been solved for you by such concerns as these. The history of the experience of America's largest producers with Pneumatic Scale packaging machinery is contained in an unusual book "An Interview." Ten minutes reading that may save you thousands of dollars in your packaging operations. We shall be glad to send you a copy. Write for it, today.

PNEUMATIC SCALE PACKAGING MACHINERY

PNEUMATIC SCALE CORP., LTD., NORFOLK DOWNS, MASS.

Branch offices in New York, 26 Cortlandt Street; Chicago, 360 North Michigan Avenue; San Francisco, 320 Market Street; Melbourne, Victoria; Sydney, N. S. W., and Trafalgar House, No. 9 Whitehall, London, England

PNEUMATIC MACHINES

Carton Feeders—Bottom Sealers—Lining Machines—Weighing Machines (Net and Gross)—Top Sealers—Wrapping Machines (Tight and Wax)—Capping Machines—Labeling Machines—Vacuum Filling Machines (for liquids or semi-liquids)—Automatic Capping Machines—Automatic Cap Feeding Machines—Tea Ball Machines.

Science Never Waits on Politics

By CHARLES L. PARSONS

Member of the wartime United States Nitrate Commission

NITROGEN, important in peace time, is a necessary tool of warfare. Therefore, the need for the nitrogen-fixation plants at Muscle Shoals is stressed in the perennial debates over plans to develop the millions of horsepower of electrical energy on the Tennessee River.

These arguments ignore two important points. The Muscle Shoals nitrogen plants are obsolete except as material for congressional debates, and the nitrogen shortage they were built to meet no longer exists. Today the world faces an overproduction of nitrogen.

This is remarkable chiefly because it has been ignored. Science has merely done for nitrogen fixation what it has done for scores of other products.

When carbon monoxide and hydrogen were first put together to form wood alcohol—lately better known as methanol—it was regarded by wood distillers as pretty much of an academic experiment and of no great commercial consequence. The research men kept at it. Finally a cargo of some 50,000 gallons appeared in New York. Science began to accelerate. American industries needing methanol in the manufacture of formaldehyde for synthetic resins, of dyes and other compounds sensed the need for independence in methanol supply.

Methanol from by-products

ONE chemical company soon learned that, if it produced methanol by a process somewhat similar to that developed abroad, it not only could reduce costs but could eliminate troublesome impurities.

Then another company began making methanol from gases which at that time were waste by-products of an important commercial process. Another great organization likewise had by-product gases which it learned to convert into methanol. Today those who have made methanol for years by distilling hard wood can remain in business only if they are able to lower greatly their production costs.

Consider with what rapidity lacquers spread throughout industry. The older types of paints and varnish dried too slowly. The then available lacquers dried too quickly. Research went quietly for some time but eventually these nitrocellulose lacquers swept their field.

Back in the gay 'Nineties, Count Chardonnet asked himself why man could not do what the silkworm does. He began his work with mulberry leaves because the silkworm eats mulberry leaves. Company after company was formed only to fail. The investigation went forward. At last a company succeeded. Processes began to multiply. The industry grew rapidly and everyone knows today the numerous applications of chemical or synthetic fiber.

Experimenting on Nitrogen

MAN'S effort to change the form of the nitrogen in the air to make it useful to plant life and to man-made industries began in the latter part of the Eighteenth Century when an English scientist recorded an experiment. Progress was slow until the first part of the Twentieth Century when two Americans began the commercial exploitation of that experiment.

These Americans, Bradley and Lovejoy, did some successful work at Niagara Falls before the high power requirements of their process forced it to seek a home where there was less competition for electrical energy.

The process grew rapidly in Norway, but natural deposits of sodium nitrate in Chile gave that country domination in the world's markets. Then the cyanamide process was discovered. It required less power and, consequently, was less limited in the location it might choose. Its power requirements, however, were still large. In 1912 the Haber process was announced and demonstrated in Germany. Such power as the Haber process and its modifications require, unlike the older ones, need not be electrical energy.

This was about the situation when the World War broke out. All nations became greatly interested in nitrogen. When the United States entered the conflict for fear that Chile might not be able to supply all requirements, coupled with the hazards of maritime transportation, led to demands for a plant in this country to supply the need.

Muscle Shoals was chosen because of its supposed potential water power. There a plant was built to produce 40,000 tons of fixed nitrogen annually by the cyanamide process, which was the least expensive to operate of those known outside Germany at the time. We built a then modern steam plant to supply the necessary energy above that available from existing nearby power plants and later built the Wilson Dam and power plant as a permanent power supply. In addition an experimental nitrogen plant was constructed to work out a modification of the Haber process.

The war ended, together with the nitrogen emergency, but not the interest in nitrogen fixation. Experiments multiplied. Private initiative went forward rapidly. From a dearth of supply we have come to a world surplus. Today we find efforts being made to stimulate the use of nitrates available at prices lower than ever known or anticipated. Chile's monopoly is broken.

Muscle Shoals is obsolete

FOR ten years chemists, engineers and economists have pointed out that Muscle Shoals was being superseded. The plant, built to utilize the cyanamide process will operate, but if confined to the fixation of nitrogen and the production of fertilizers, it could not compete against the newer methods now in successful operation.

Private industry has pushed forward until today nearly every country has its fixed-nitrogen plant in private hands. It was prophesied that, whatever else might be done, sodium nitrate itself could not be produced to compete with Chile. In the United States this is being done commercially and export has been undertaken.

Thus, while members of Congress have been debating, science has been making their arguments obsolete. It seems strange that men so concerned over their country's defense and agriculture should not welcome and use what science has done and is doing to simplify the problems of both.

Crippled by one weak member



Is one slow operation crippling your production?

IT may be a complicated production process that is being done by hand because no machine has ever been built to do the work. It may be that some of your machines are not turning out work fast enough, slowing up your whole production, or not accurate enough, causing excessive spoilage. Nearly every plant has a cripple in its process of production. What is yours?

For the last few years Special Production Machines has been engaged in the work of strengthening the weak spots in the production process of many well-known industrial concerns in the country. Our work has ranged from the creating of new machines that had never been built before, to replace costly, slow hand labor, to the speeding up of existing machinery, and the redesigning of semi-automatic machinery to make it completely automatic. In a number of cases, manufacturers who have been conducting production research have enlisted our aid to help them bring it to a more rapid and successful conclusion. Our work in these connections has been instrumental in saving thousands of dollars, and in solving problems that manufacturers had finally given up in despair.

May we have the opportunity to help you cure the cripples in your production process? A booklet describing the services of Special Production Machines, how it operates and how it is helping manufacturers to better their production, will be sent to you on request. Write special Production Machines, Norfolk Downs, Mass.

Special PRODUCTION MACHINES

A Division of **PNEUMATIC SCALE CORPORATION, LIMITED**

For over forty years, Pneumatic Scale Corporation, Limited, has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise

Give Little Successes a Chance

By RAY GILES

Partner, the Blackman Company, New York

DECORATIONS BY IRIS JOHNSON

WE WERE talking about business in general. My friend, who has been associated with the advertising and selling of dozens of products remarked:

"In trying to help out a new client with whom I have never worked before, I find that one simple approach is almost sure fire. No matter how deep a business may be in the doldrums you will always find little success spots here and there.

"No matter how badly sales may be slumping in general, you will find individual salesmen who are beating their quotas.

"No matter how apathetic most of the wholesalers may seem to be, you will find a few who are doing especially well with the product.

"No matter how indifferent most dealers may appear, you will discover some of them who are doing better than ever.

"No matter how dubious the manufacturer may seem to be about certain items in his line, it will often be found that nearly every one of them is a good seller in some one part of the country.

"Too often the manufacturer hears reports of these goings-on and listens only with passing interest. He remembers the star salesman but doesn't attempt to find out just why this man is succeeding and see if there are principles involved in his work which could be passed on to the other salesmen.



One salesman sets up six toy soldiers before beginning his talk

NATURALLY your goods sell better in some places than in others. Have you discovered why this is? If you have not, says Mr. Giles, you are probably overlooking some valuable selling tips as were the companies whose experiences he relates in this article



Writing the figures on a big piece of paper makes profits seem larger

Why do some do a better job?

"HE may write an appreciative letter to the progressing wholesaler. But does he pack his bag and run out to discover what and how and why this particular jobber is putting over the goods? Not in one case out of a hundred!

"Furthermore, the fact that some dealers are succeeding better than others is taken for granted. But it ought not to be. When a certain dealer is selling your goods in remarkable volume you ought to spare no pains to learn just how he is doing it.

"The same goes for a line. Too commonly the manufacturer accepts the different sales results on various items as due to sectional differences or accident.

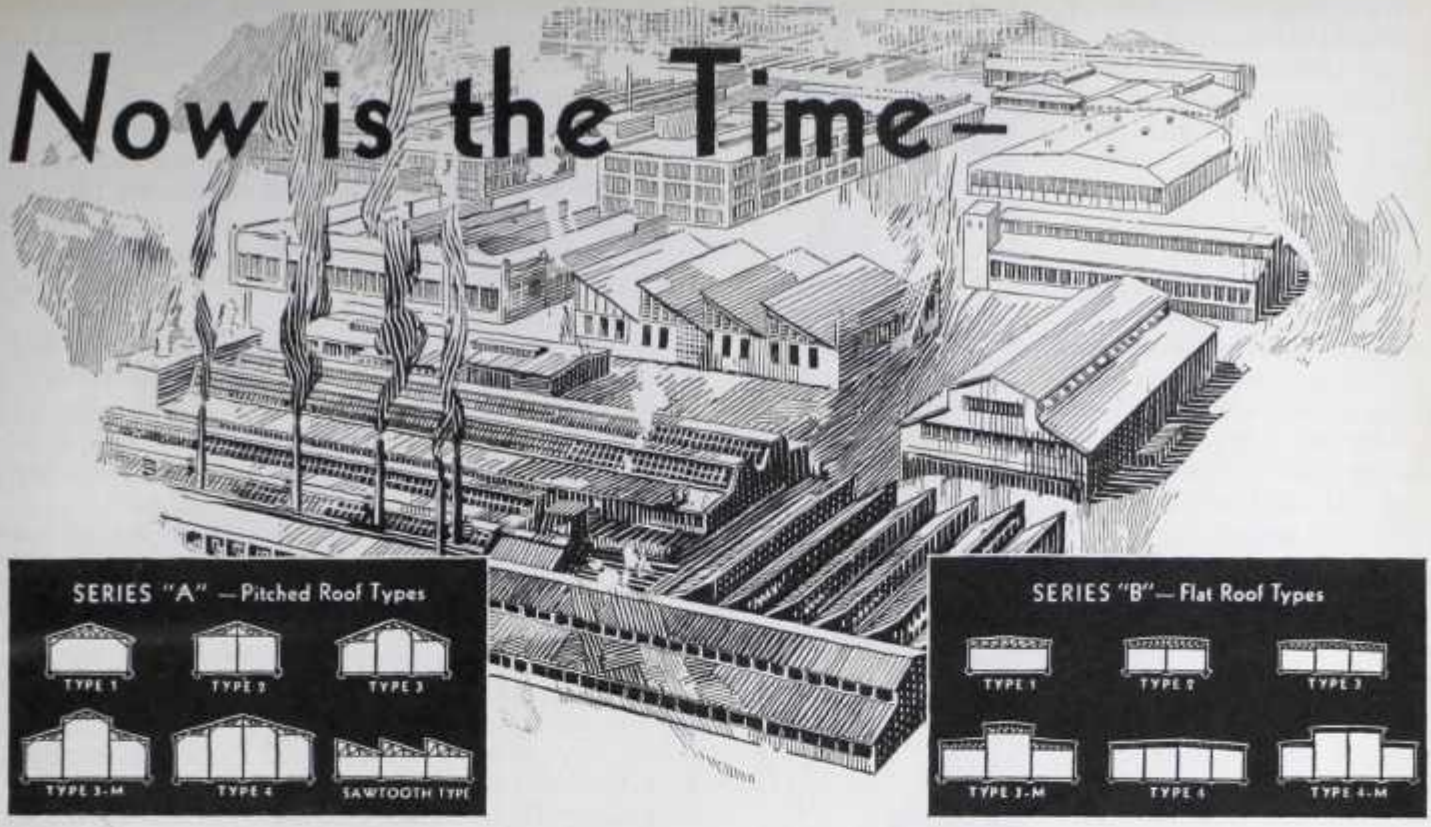
"But often it will be found that the dealer has really learned how to sell a certain item and that his experience if studied might be applied elsewhere to the manufacturer's advantage."

A prominent automobile manufacturer learned a few years ago how to move his position two places up in his rank in the industry. He did it simply by turning some little success spots into big ones. A competitive car in the same price class was just above him in point of national sales. But in some cities his dealers were outselling the dealers who handled the competitive automobile. These isolated success spots were carefully studied.

It was found that the success cities varied in size, type and were in widely scattered parts of the country. The natural question was, "If we can beat out our rival in some places, why not *nationally?*"

The sales executives visited each little success spot in turn. In some cases the sales records were due entirely to the dealer's personality. But in other cities special methods were found in operation. Many of these were applicable in a general way or capable of being developed into national measures. From his study this manufacturer built new

Now is the Time—



—to Expand With TRUSCON BUILDINGS

Truscon offers quality buildings of standardized units to meet exactly your individual requirements. All types and sizes are available, including flat, pitched, monitor or sawtooth roofs. Fireproof materials are used throughout: Steel Windows, Steel Doors, and Insulated Steeldeck Roofs. Write for suggestions, catalog and prices.



—to Modernize With TRUSCON PRODUCTS

Old buildings can be made efficient by installing modern features. Increased daylighting can be obtained through steel windows. Insulated and fireproof Steeldeck roofs can be erected on old trusses in place of wood roofs. Steel doors will give dependable operation and permanent protection. Truscon furnishes all types of steel products for either new construction or replacement work. Complete information furnished without obligation.

TRUSCON STEEL COMPANY ~ ~ YOUNGSTOWN, OHIO

Truscon Steel Company of Canada, Limited, Walkerville, Ontario
Warehouses and Offices in Principal Cities

TRUSCON

When writing to Truscon Steel Company *please mention Nation's Business*

general measures which enabled him to pass his rival.

A manufacturer of men's clothing was puzzled by the unevenness in the per capita sales made by his dealers. There were plenty of little success spots but the big ones were few and far between. A trip about indicated strongly that the success spots were ones where the salesman talked constantly about sales promotional steps to the dealer rather than attempting merely to sell him a bigger stock of clothing. In this case the brand is recognized as a leading one. Apparently the point had been reached where it was no longer necessary to sell the goods as such.

As the manufacturer's salesmen were paid on a commission basis, it was not hard to get them interested in methods that improved their ability to build up more success spots.

Dealer advertising

ONE of the largest of New England's shoe factories sends to its dealers each season an advertising booklet which offers electros for their use in local newspaper advertising. A few years ago the advertisements were all of one type. Then they were produced in several types. It was found that one of the new types was far more popular with the dealers than the others.

Further examination revealed that the advertising used in the greatest number of success spots was that which sounded as though the dealer himself might have written it. The manufacturer woke up to the fact that most of the "dealer" advertisements he had gotten up weren't dealer advertisements at all! They had too much of the shoe factory flavor.

A change to cruder copy with more local flavor caused dealers to dig down into their pockets and pay three times as much for space in which they could print the new copy which represented them so much better.

The fact is that almost every business has its field laboratories in which little successes may prove out test findings of incalculable value. For that reason the newly acquired sales manager, advertising manager, or advertising agent often finds it extremely profitable to study a business with these questions in mind:

1. At what points or in what sections are your *per capita* sales highest?

2. At what points or in what sections are your *per capita* sales lowest?



From the little success spots he gathers findings that may be put into operation at other points. From the low spots he may get a cross-check on his success-spot discoveries.

In a generally bad year, one manufacturer's salesman in the Southwest was making a record. For a time the house merely patted him on the back. Then some one woke up to the realization that it might be worth while to ask Ed how he was making such a record.

Ed had discovered the secret of making success spots. Ed had a long line. Dealers didn't like to look at it. Ed had wondered how to overcome that.

From the company's national records Ed learned that there were five best sellers in the line. He tore from the catalog the five pages showing and describing these items. He worked out a $100 assortment which the dealer could put in. He went out to sell that limited assortment instead of a long line.

Ed's assortment plan when applied nationally enabled this manufacturer to open up 25 per cent more retail outlets in a year. The rest of the line was cut down materially. For 1930 the manufacturer expects to offer only two items in addition to his five best sellers.

An amusing sidelight in this case is supplied by Ed's sales manager. He says:

"For two years we had discussed shortening our line. We were divided in our opinions. Our discovery of the assortment selling plan opened our eyes to the fact that one simple test, locally tried out, may prove more in less time and at less cost than weeks of conferences.

"Now when we have some question on which we are getting nowhere, we remember Ed Hawthorne and his assortment plan. If the measure has to do with sales we get a couple of our salesmen to test it out locally. If it is a store display, we make up a few samples and get some of our best friends among our accounts to try them."

Little special success spots are nearly always found in the selling measures used by different salesmen on the same force. No matter how uniform their training, each man, as time passes, tends to develop a sales approach which fits in with the strong points of his own makeup. Jones develops into a wonder at answering price objections. Smith achieves mastership at selling the line. Brown has just the talk that gets the dealer to give the goods store display. But ordinarily, only accident may throw Jones, Smith and Brown together and get them to share their experiences.

Increasing the good spots

WITH this in mind one sales consultant has built successful sales manuals for many manufacturers by gathering up the success spots and putting them in one book. His formula is simple. He first sends a letter

Individual dealers are constantly trying out new methods of selling every manufacturer's goods



The "grip" of a good handle is the "grip" that sells







Good handles are good business. A smooth, comfortable, good looking handle will help to sell an appliance, device or tool to men or women. When it also is a handle that stays put, that does not loosen, split or roughen, it adds to the reputation of an article and promotes reorders.

On machines and tools, household appliances and equipment, automobiles and airplanes, and on scores of other things, Bakelite Molded handles are improving products and building customer good will. Formed in a mold, thousands of Bakelite Molded handles may be produced to an ideal pattern, all identical in contour and dimension. Metal shafts or sockets may be firmly embedded, so the handles stay tight.



You will find this booklet most informative. Write for 42-M, "Bakelite Molded"

Bakelite Molded is a hard, strong, lustrous material, that does not shrink, swell, nor split. The surface is permanently smooth, and no polishing is required to keep it clean. When desired any ornamental design or trademark may be faithfully reproduced in the same operation that forms the handle. Black, brown and many attractive colors are available and these may be used to achieve distinction, or to designate purpose.

If you make anything on which a handle is used, you will be interested in knowing about Bakelite Molded handles. Only a few of the hundreds of different kinds are shown here. Our engineers and laboratories will gladly give you the benefit of their long years of experience.







BAKELITE CORPORATION
247 Park Avenue, New York, N.Y. Chicago Office: 635 W. 22nd Street
BAKELITE CORP. OF CANADA, LTD., 163 Dufferin St., Toronto, Ont.

BAKELITE

REGISTERED U. S. PAT. OFF.

The registered trade marks shown above distinguish materials manufactured by Bakelite Corporation. Under the capital "B" is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products.

THE MATERIAL OF A THOUSAND USES

Get the Facts



© 1931 M. L. I. CO.

"This blood pressure instrument is somewhat like a barometer. To a sea-captain, the reading of the barometer indicates storms or fair weather ahead. To me, a reading of your blood pressure indicates easy or labored heart action."

FAULTY blood pressure may be caused by focal infections anywhere in the body, by poisoning from the left-overs of previous infectious diseases, sometimes by overweight or overwork or continued high nervous tension in either working or living conditions. But it may be caused by something more obscure. Worry, fear, anger, hate are frequently responsible for high blood pressure.

Your own blood pressure varies many points during the course of the day. In the normal person these variations are within reasonable limits. Often high blood pressure can be brought back to normal by finding and removing the cause. But sometimes it is not possible or even desirable to reduce it. Then comes a time when a change must be made in diet and physical activities if the overworked heart is to have a fair chance to carry on.



There are thousands of men and women today who are active even though their blood pressure registers many points above normal. They have learned how to regulate their lives.

If you haven't had a reading of your blood pressure within a year it is not safe to assume that it is the same as it was last year or two or three years ago. Faulty blood pressure is not like a rash or a cough that immediately makes itself known.

Blood pressure can and sometimes does steadily mount, month after month, giving no indication by pain or trouble in breathing. But when it is abnormal, doctors of experience regard it as a grave warning calling for prompt action.

Send for the Metropolitan's booklet, "Give Your Heart a Chance," which describes high blood pressure. Ask for Booklet 331-U which will be mailed free.

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT — ONE MADISON AVE., NEW YORK, N. Y.

to each salesman on the manufacturer's staff. It asks the salesman to put down all the objections he encounters in his work. The objections are then brought together, examined, classified, and put on paper. The final list is then sent to each salesman. Now he is asked to put down the answers he has found most effective to each objection.

The combined experience of all the salesmen can thus be made available to each of them by working this material up into a company sales manual on answering objections. Salesmen who are best at building up success spots thus pass their discoveries on to the less successful men.

The salesmen for another manufacturer had as their chief problem the matter of convincing dealers that there was a real profit to be gotten from the goods they offered. After considerable effort the profit story was reduced to its simplest terms. The salesmen used it with more or less success. But one salesman was apparently far more successful than all the rest. He was asked to tell just how he gave his profit talk.

He said, "The talk is perfectly good. I use it just as you worked it out, but I found that one change seemed to make a lot of difference. You'll remember that when we came to the figures you told us to write them out in front of the dealer on the small special pad you gave us for that purpose. It worked pretty well. But one day it struck me that maybe the pad was too small. Perhaps the story would be even more impressive if it were written out big on a bigger piece of paper.

"I got a pencil with big soft lead. When I came to the figuring I would ask the dealer for a piece of wrapping paper, say two feet by four or bigger. Then I'd put down the figures but each one would be two or three inches high. I found the dealer paid better attention. He could read the big figures more easily. Just writing them bigger made the profits seem bigger."

Novel presentations

THE sales manager for a manufacturer of office specialties says, "Our most successful salesmen seem to be those who get a touch of drama or novelty into their presentation. For example, we find that our two best men have approaches which they have developed themselves. One carries a pair of strong pliers. The feature of one of our devices is a small part which in competitive products is rather fragile. Our part is unbreakable. The salesman gets out a sample part, hands the dealer the pliers and invites him to break it. Now all of our salesmen are using this sales demonstration.

"The other salesman carries six lead soldiers in his pocket. He sets them up on the prospect's desk. He says something like this, 'all the products in this field look as much alike as these lead soldiers. But if these soldiers went to war, probably only one of them would show real heroism and develop real leadership. In spite of the apparent similarity of my products to others, there is a real difference.'

"Then he goes on to tell what it is."

While practically all manufacturers supply their dealers with display schemes, cards, and other sales promotion measures to get the goods out of the store, a study of the success spots sometimes shows that a merchant here and there is working out measures that are even better than those the manufacturer has provided.

Spreading the little success spots

A CANDY manufacturer found this to be the case with one of his little dealers who was a shining success spot. This dealer was putting together a box of chocolates, a bottle of hard candies and three five-cent bars—all made by this one manufacturer. Every Friday night he featured the combination in his window as a "Week-End Special at One-Fifty."

This price was only five cents below the cost of the goods if bought separately. But apparently the combination looked like a bargain to many who passed his store. Now this success-spot measure is being passed on to other dealers handling the line.

A luggage manufacturer some years ago equipped his salesmen with a kit containing sample parts of his trunks and bags. These were small, cut-away sections which showed the superiority of his construction over cheaper competitive luggage that was commonly offered at "bargain" prices.

These kits were used only by the salesmen to convince dealers of the superiority of the line. To one salesman a dealer in Rochester said, "Sure; I'll put in your stuff if you'll give me one of those kits to use with my own customers. It's just what I need to sell high-grade luggage. People can't see much difference when they look at a $15 bag and one of your $25 bags of the same type. But with these cut-away handles and samples of your lining and locks, I can show 'em!"



Every Friday night the dealer featured the combination as a "Week-End Special"

The dealer had seen what the manufacturer had failed to see: that the kit was a most valuable sales help to his dealers as well as to his salesmen. When all dealers were offered similar kits, most of them were glad to put them into daily use.

Another manufacturer of a cheap grocery product supplied his dealers with quantities of small samples. To his surprise he found that several grocers featured them as "one-helping" packages and were selling them for 10c. After the sampling period was over the manufacturer turned his sample into a salable staple.

So example after example might be given of turning little success spots into big ones. But perhaps these few will suffice to remind the manufacturer:

1. That no matter how bad business may be in general, there are little success spots here and there which may be applied more generally.

2. That individual salesmen, wholesalers and dealers are constantly trying out new methods of selling every manufacturer's goods. A study of these tests promises to show some that are new and successful and may be employed nationally.

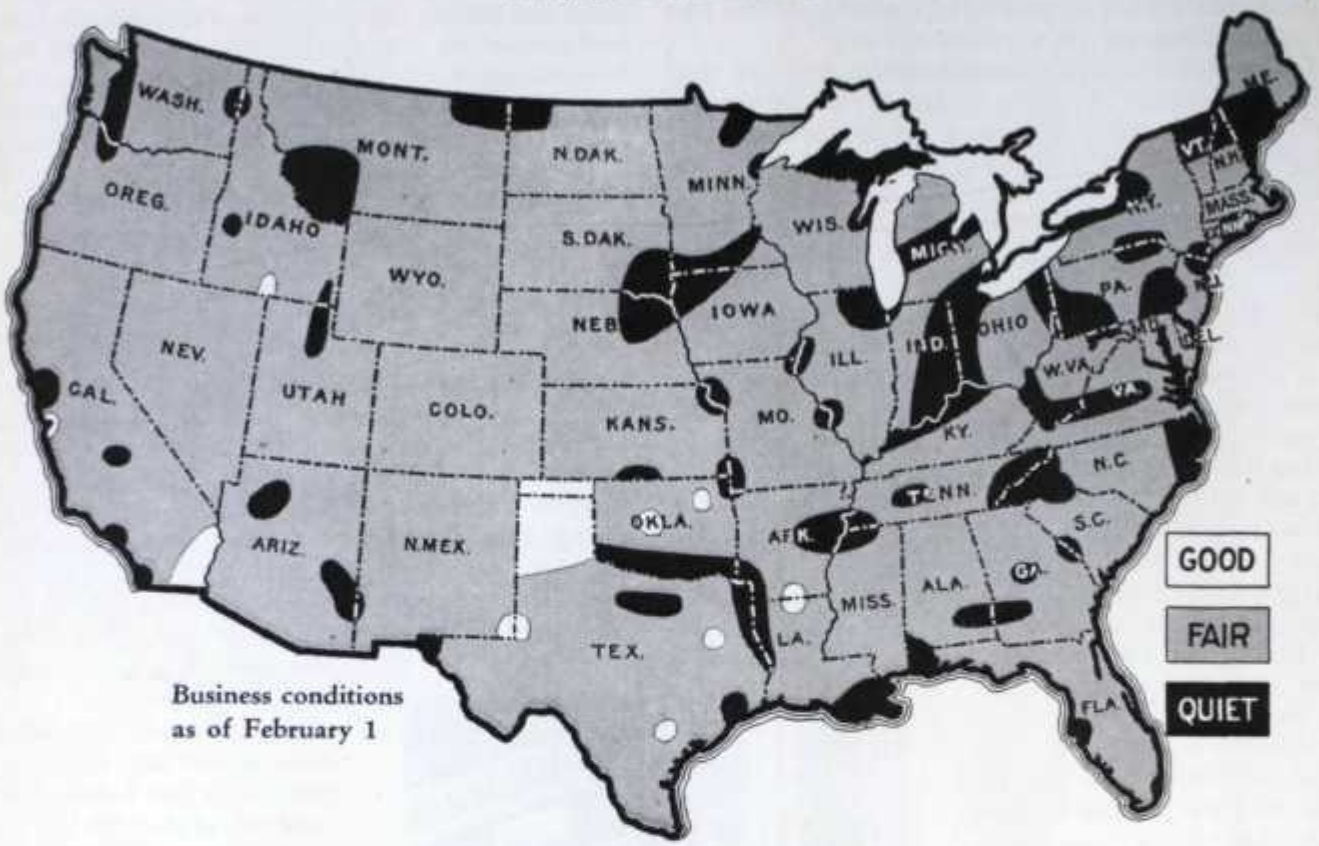
3. That with a worth-while piece of merchandise no marketing obstacle is so great but that someone, somewhere, is overcoming it.

In short, nearly every business can point to its little successes here and there. And big, national success in a business is nothing but a lot of little successes in one bundle!

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's



Business conditions as of February 1

A BRIGHTER spirit has ruled in business since the dawn of the year. This has been based more on the fact that nearly a year and a half of depression is now behind us rather than on any decided change in conditions

SENTIMENT as to things commercial, financial and industrial changed considerably for the better in the first month of 1931. There was a remarkable contrast to the feeling in the last months of the unregretted year, 1930. The business world entered the year more hopefully, and yet perhaps more cautiously and with fewer illusions than were present the year before. To the fact that 15 grievous months had come and gone rather than because any great natural changes had occurred, may be attributed this access of confidence.

The development of the first 30 or 40 days of 1931 was rather more than ordinarily mixed, and time will be needed to demonstrate the extent to which better feeling will lead to really better business.

The most immediately visible features of January were the continuance of the rally in stocks and the slower advance in the bond market, both of which were retarded by the fear that vast sums of money would have to be raised to pay in cash the soldiers' bonus.

There was a slow, but fairly steady, expansion, first in iron and steel and automobile production and later in other



The map of last month



The map of a year ago

Several favorable factors made themselves felt during January, including increased production in iron, steel, automobiles and shoes



HERE'S A REAL SPECIFICATION FOR YOUR HOME OR BUILDING—AND THE HONEST SPIRAL MAKES SURE THAT IT IS FILLED

"I want clean, unfailing water and freedom from pipe repairs as long as possible at the lowest cost for which I can buy proved safety. Therefore, make all water lines, waste lines, vent lines, and heating lines of Reading Genuine Puddled Wrought Iron Pipe."

And you can make sure that you get the same kind of pipe that has been giving unfaltering service in every part of the country for four generations by seeing the permanently indented Reading spiral on every foot of pipe that goes into your home or building.

For Reading uses today, as Reading has used for 83 years, Genuine Puddled Wrought Iron to make the same staunch pipe that resists rust, corrosion, electrolysis, vibration, shocks and fatigue as does no other metal—wrought iron that NEVER succumbs to swift, green corrosion, the fatal enemy of expensive pipe.

Specify Reading Pipe—make sure by the honest spiral that you get Reading Pipe—and then forget pipe until you build again.

READING PRODUCTS

Pipe	Couplings
Tubing	Bar Iron
Casing	Billets
Nipples	Cut Nails
Boiler Tubes	

◆ ◆ ◆

You can get Reading Genuine Puddled Wrought Iron Nipples with Reading 5-Point Pipe—the best combination for soil, waste, vent and inside conductor lines.

For information and quotations address

READING IRON COMPANY
Reading, Pennsylvania

For your protection this indented spiral forever marks all Reading Pipe.

READING *Science and Invention Have Never Found a Satisfactory Substitute for Genuine Puddled Wrought Iron.*

5 POINT PIPE READING GENUINE PUDDLED WROUGHT IRON

PIPE *Use only Reading 5-Point Nipples with Reading 5-Point Pipe . . . you'll know them by the indented spiral band.*

industries, notably shoes, cotton goods, silk, rayon and furniture. The relatively slow rate of expansion in iron and steel was largely explainable by the smaller volume of buying of steel rails which was partly offset by the reawakening demand for gas and oil pipe, and the buying of heavy road machinery, and expansion in the tin-plate industry. There was sharp cutting of prices of tires preceding gains in production. The automobile industry went forward at a fairly encouraging pace. Pig-iron production expanded slightly over December, the first gain over the preceding month since April, 1930. The gain in steel output was relatively larger, perhaps ten per cent. In few or no cases, however, was production equal to that of a year ago.

On the less favorable side of the January picture might be mentioned the record-breaking crop of failures. However, there was a subsidence in liabilities, which in November and December were swollen by hitherto unheard of numbers of bank suspensions.

Another development was the continuance of the liquidation in prices of commodities. January showed the sixteenth consecutive monthly decline and brought price indexes down to the levels of early 1915.

Two other features were the rather marked steadiness displayed by two commodities, wheat and cotton. This reflected continued government operations in the markets, and, in the case of wheat, evident shortage of moisture. Prices of both held steady in the face of record supplies at home and abroad.

In trade distribution a feature was the relatively better buying in the cities from chain and mail-order houses, balanced by evidently reduced buying power in rural districts. Wholesale and jobbing distribution went forward cautiously. Retailers found mild winter weather a bar to free sales of heavy winter goods and this affected sales of anthracite and bituminous coal.

Little trading on exchanges

IN THE financial markets the trend of quotations was upward despite the unsettling effects of the soldiers' bonus discussion and the heavily reduced volume of stock transactions. This volume was the smallest for any month except August for more than three years past. Despite a 31 per cent reduction in sales on the New York Stock Exchange from January a year ago, the price index of railway stocks moved up nearly ten points during the month. Industrial stocks were little changed. Bonds, which felt the bonus trouble even worse, showed a gain of 25 per cent in January sales, with a rise of a point over the month. Bank clearings decreased 21 per cent in January, while bank debits fell 25 per cent.

Business failures, these including bank suspensions, set up a new record of 3,122, an increase over those in December, 1930, of 25 per cent, over January 1930 of 31 per cent and over January of 1922—a record month until now—of 14 per cent. Liabilities, on the other hand, fell 47 per cent below the record month of December, 1930, when an unprecedented total of banks suspended. They were, however, two and one half times those of January, 1930, and not far from double those of January, 1922. Failures showed the greatest increases in percentage in the South and the Central West where the drouth hurt corn and cotton. Increases were smallest in New York City, the Northwest, and New England.

Among the industries, January pig-iron showed a gain of 3 per cent over December, most of this in steel-making grades, whereas the decrease from the January production a year ago was 39 per cent. Likewise it was half that of January, 1929, and the smallest for a January since 1922. Steel ingot output gained from the low rate of 25 per cent of capacity in

Business Indicators

Latest Month of 1931 (of 1930) and the Same Month of Two Previous Years Compared with the Same Month Three Years Earlier

	Latest Month Available	Same Month 1928(1927)=100% 1931 (1930)	1930 (1929)	1929 (1928)
Production and Mill Consumption				
Pig Iron	January	60	98	120
Steel Ingots	January	60	92	108
Copper—Mine (U. S.)	December	72	111	127
Zinc—Primary	January	62	96	95
Coal—Bituminous	January*	83	107	110
Petroleum	January*	89	110	113
Electrical Energy	December	112	120	112
Cotton Consumption	December	70	82	98
Automobiles	January*	74	113	166
Rubber Tires	November	63	77	135
Cement—Portland	December	71	93	102
Construction				
Contracts Awarded—37 States—Dollar Values	January	51	73	92
Contracts Awarded—37 States—Square Feet	January	39	50	92
Labor				
Factory Employment (U. S.) F. R. B.	December	83	100	103
Factory Pay Roll (U. S.) F. R. B.	December	74	100	105
Wages—Per Capita (N. Y.)	December	93	101	102
Transportation				
Freight Car Loadings	January*	80	97	103
Gross Operating Revenues	December	81	100	106
Net Operating Income	December	93	133	174
Trade—Domestic				
Bank Debits—New York City	January*	63	92	144
Bank Debits—Outside	January*	86	103	111
Business Failures—Number	January	125	104	96
Business Failures—Liabilities	January	199	128	113
Department Store Sales—F. R. B.	December	91	105	105
Five and Ten Cent Store Sales—4 Chains	January	114	108	105
Mail-Order House Sales—2 Houses	January	118	134	127
Trade—Foreign				
Exports	December	68	105	117
Imports	December	63	94	102
Finance				
Stock Prices—30 Industrials	January	85	127	154
Stock Prices—20 Railroads	January	76	106	111
Number of Shares Traded	January	72	106	188
Bond Prices—40 Bonds	January	97	95	97
Value of Bonds Sold	January	91	72	86
New Corporate Capital Issues—Domestic	January	94	125	98
Interest Rates—Commercial Paper, 4-6 Months	January	73	126	142
Wholesale Prices				
U. S. Bureau of Labor Statistics	December	81	97	100
Bradstreet's	January	69	85	96
Fisher's	January	81	98	102
		July 1914=100% Dec. 1930	Dec. 1929	Dec. 1928
Retail Purchasing Power, July 1914=100%				
Purchasing Power of the Retail Dollar		68	62	62
Purchasing Power of the Clothing Dollar		68	59	58
Purchasing Power of the Food Dollar		73	63	64
Purchasing Power of the Rent Dollar		67	63	62

X Excludes Boston, Cleveland, Chicago, Los Angeles, Philadelphia, Detroit, San Francisco, and New York.

* Preliminary

Prepared for *Nation's Business* by General Statistical Division, Western Electric Co.

Burroughs



One of many models especially designed for food stores, cafeterias, etc., that desire a detailed list of each customer's purchases and also a grand sales total.

NEW CASH MACHINES

FASTER . . . SAFER . . . AND LOW IN PRICE

Retailers in every line are benefiting by the greater speed, ease of operation and absolute protection that Burroughs Cash Machines bring to the registering, recording and safeguarding of all transactions.

There is a Burroughs Cash Machine to meet the individual requirements of any type of business, in any color to harmonize with surroundings, and at a price surprisingly low for all models.

The flexibility of these new machines . . . their sturdiness and durability . . . their space-saving compactness . . . their smart, up-to-date appearance . . . their adaptability to all kinds of figuring work . . . are winning acceptance everywhere.

Call the local Burroughs office for a demonstration, or for descriptions, prices, and easy terms.



One of the many styles designed for stores where single item sales are the rule, such as drug stores, shoe stores, hardware stores, etc.

IMPORTANT ADVANTAGES—Every sale printed and recorded . . . locked-in totals under owner's control . . . totals of quantities as well as amounts . . . separate totals of cash sales and charge sales . . . detail tape . . . enforced identification of clerks . . . self-correcting keyboard . . . each key set at the same angle, has a short stroke and light, uniform, easy key depression . . . validates paid-outs or sales tickets . . . descriptive keys . . . totals each customer's purchases, furnishes detailed receipt . . . hand or electric models . . . requires minimum counter space.



One of many styles for the automotive business. Designates commodity sold, cash or charge. Has totals of quantities and amounts.

BURROUGHS ADDING MACHINE COMPANY
6223 SECOND BOULEVARD DETROIT, MICHIGAN

When calling your local Burroughs *office please mention Nation's Business*

late December to 45 to 50 per cent of capacity in early February, but fell 35 per cent below the output of January, 1930.

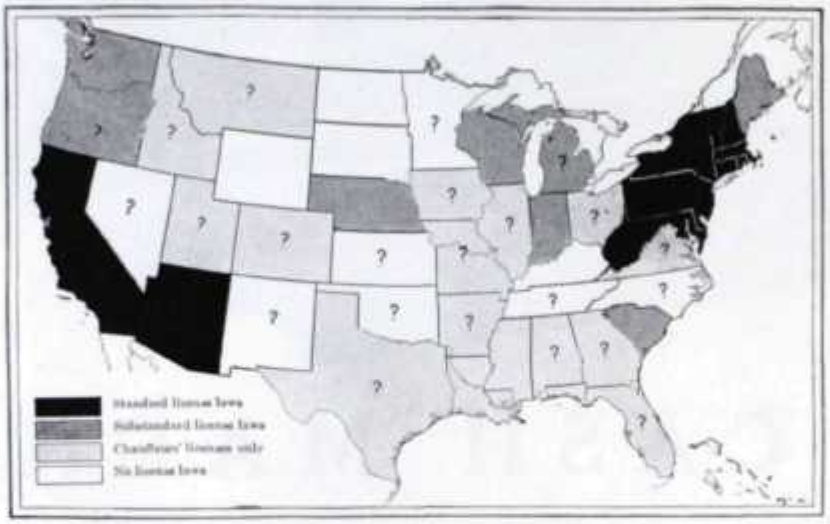
Estimates of automobile production during January pointed to 175,000 to 200,000 cars and trucks, as against 155,000 in December, 1930, and 120,000 in December, 1929. In January, 1930, the output was 275,000 cars and trucks.

The commodity-price movement again disappointed those who have argued that prices have become stabilized. There was a decrease of 2.1 per cent from January 1 to February 1, a drop of 19.2 per cent from February 1 a year ago and of 35 per cent from the peak point since deflation was reached on December 1, 1925.

Nine out of 13 groups of commodities moved downward in January, these including the textiles, provisions, nonferrous metals, rubber and tobacco. Breadstuffs and livestock also eased in a smaller degree. Fifteen articles advanced in January while 29 declined and 62 remained unchanged.

The returns of chain-store and mail-order house sales showed a decrease of one per cent from January a year ago. Two large mail-order houses combined reported a decrease of 14 per cent from a year ago. Department-store sales in January were 10 per cent below those of January, 1930. Two exceptions to the downward trend were found in wheat and cotton, both under the Farm Board's checkrein. Wheat also felt the influence of reports that the western winter wheat crop needed moisture as a result of the warmest and dryest winter in many years. Wheat supplies at the opening of the year were heavy, the Dominion Bureau of Statistics putting the Canadian supplies at 253,000,000 bushels, those of the United States at 241,000,000 bushels, Argentina's at 200,000,000 bushels, and Australia's at 165,000,000 bushels, with no marked increase in world demand visible.

Making the Highway Safe for Traffic



The question-marked states are considering adopting standard drivers' license laws or strengthening their present laws

THE DRIVERS' License Law is being hailed in many legislatures this year as the most promising measure to curb the increasing traffic accident toll. This description fits only the standard law, that requiring examination of all new drivers by inspectors of the central state motor-vehicle authorities. States having substandard laws, with examination discretionary or by local officials, show little if any better accident records than nonlicensing states.

The accompanying map shows the states with standard laws, those with substandard laws, those licensing chauffeurs only and those with no license requirements whatever. Question marks show states reported to the National Conference on Street and Highway Safety as considering adoption of the license law or strengthening the existing law.

Objections raised in the past but now largely dissipated have been: (1) cost to the driver, overcome by making the fee only sufficient to cover administrative costs; (2) need in farming districts for children under 16 to drive to school or village, this being met by lower age limits or day-time junior licenses good in limited areas; (3) doubts as to effectiveness of the licensing system, now answered by overwhelming evidence.

These figures from official statistics are worthy of study:

Northeastern standard licensing states (New Hampshire to West Virginia, inclusive): increase in registrations, 222 per cent; increase in fatalities, 1920-1929, 115 per cent.

Middlewestern substandard or nonlicensing states (Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Missouri, Kansas and Nebraska): increase in registrations, 165 per cent; increase in fatalities, 1920-1929, 184 per cent.

Southern nonlicensing states (Virginia, North Carolina, South Carolina, Florida, Mississippi, Tennessee, Kentucky, Louisiana): increase in registrations, 242 per cent; increase in fatalities, 1920-1929, 347 per cent.

These figures are in line with the well-known fact that the standard licensing states have thus far shown an average of 29 per cent lower accident rates after adopting the license system as compared with the rest of the country. The 29 per cent differential is likely to increase further, as improvement not only appears in the years immediately following adoption of the license law but continues progressively.

In the standard licensing states are found competent state motor-vehicle departments constantly working to weed out the reckless and incompetent drivers. These departments also provide focal points for intelligent consideration of all measures for traffic betterment and serve as great educational influences. In states without licensing laws or with substandard laws the motor-vehicle department or bureau generally serves only as a tax licensing office.

With the ultimate adoption of the standard licensing system by all the states, still further improvements in its application will be made possible through cooperation and exchange of records and experience. The licensing system is increasingly recognized as a most promising measure and the key to the solution of many different phases of the traffic problem.—A. B. BARBER

WRAPPED ON OUR IN CELLOPHANE MACHINES



THIS is one of the most recent additions to the great variety of products that are wrapped on Package Machinery Company machines.

So perfectly have our machines met all requirements in the wrapping of cigars, that they are now recognized as *standard equipment* by the cigar industry.

At the right is a view of these machines in the La Palina factory.

Each machine will wrap 35,000 cigars per day. By designing the machine so that it can be operated in conjunction with the banding machine, no increase in labor is necessary—the girl who formerly took care of the banding machine, now supervises *both* machines.

If you are seeking greater efficiency, better packaging, or a way to wrap a new product, consult us.

PACKAGE MACHINERY COMPANY
Springfield, Massachusetts
New York Chicago Los Angeles
London: Baker Perkins, Ltd.



Battery of our wrapping machines in the Congress Cigar Company plant, Philadelphia



PACKAGE MACHINERY COMPANY

Over 150 Million Packages per day are wrapped on our Machines

We Keep Gray Heads on the Job

By WILLIAM B. MUNROE

President, Supplee-Biddle Hardware Co., Philadelphia

INDUSTRY and labor during the last few years have talked a great deal about the "dead line at 40." But here is a company which makes a policy of keeping its older men in its service—a policy that is based upon sound business reasoning



"We look upon our jobs not merely as means of livelihoods but as careers"

WE are proud of the old men in our organization and our policy of keeping them at their jobs. We are especially proud of our Half Century Club, composed of employees who have been with the company more than 50 years.

One of these members, the buyer for our cutlery department, has been with us more than 60 years and has held his present position for 50. Five members have been with the Company between 55 and 60 years, and another has been employed steadily more than 60 years. Among our salesmen are three who are still covering their territories six days every week, after 62, nearly 55, and 52 years of continuous experience with this company.

Besides, about 15 men have been with us more than 40 years; but I guess we've fallen into the habit of not taking old employees seriously until they have become eligible for membership in the Club. So many have been here a third of a century that we never have bothered to count them, and I suppose that our infants in experience—those who have been with us 20 years or a few more—number at least a hundred. So my own service of 39 years is not at all exceptional.

Frequently, executives ask me if our old-age policy pays. In replying, I tell them that, if they mean whether the work accomplished by our oldest men is actually worth what we pay them, I do not know.

The question is beside the point, and I think it indicates a great deal that is the matter with business in general and the condition of our national distribution in particular. Many commercial enterprises are striving for immediate and direct profits so intensely that they overlook far more valuable and stable future profits.

Low employment turnover

FOR instance, although I have heard a great many employers complain of the difficulty of finding good people and keeping them, our employment turnover is practically nothing. Our business is marching on largely because of the thought and energy of those of our people who are in the prime of life—men between 35 and 55, let us say. Within this span are the men who have been with us 15 to 30 years. They are the active creators and producers; the success of the company is now largely in their hands, we may say, and practically all they know about the business was taught them by the older men.

Because of their thoughtful planning and activities, and the support the organization has given, our volume has held up in a satisfactory manner. This happy condition is undoubtedly largely due to those of our organization who constitute the majority and who have had sufficient experience to make the alertness of their minds and the energy of their bodies count most heavily in meeting the handicaps of unusual conditions.

Sometimes I wonder how many of these invaluable men would be with us today if it were not for our old-age policy. There is not one of them, I am sure, who has not been offered more money than we can afford to pay and most of them have refused repeated offers of the kind.

Why do they remain with us? Well, I am sure our policy has something to do with it. They know we are doing the best we can for them in the matter of salaries and they are satisfied to go along with us because of the security we offer them. They know that as long as they do the best they can they will be cared for when their hair turns gray. They have proof of that all around them.

There is nothing so discouraging to men approaching middle age as the thought of dismissal in a few years. Nothing is so depressing to a business as discouraged men within its organization. A man may have given the best years of his life to a company and feel that he has much more to give from an active mind and a long experience. He does not want to retire, as a rule. He wants to carry on but, because of an unintelligent rule, he sees men a few years older dismissed, or retired on a pension that is frequently a death warrant.

There is no doubt that American industry loses many valuable men because of the prevalent misconceptions regarding old age. The general attitude toward

NEW YORK LIFE INSURANCE CO.

51 MADISON AVENUE, NEW YORK CITY
(INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK)
A MUTUAL ORGANIZATION, FOUNDED IN 1845

EIGHTY-SIXTH ANNUAL STATEMENT

TO THE POLICY-HOLDERS:

Most of us have labored together for a considerable period.

My service in Nylic has covered forty-two years. I have been President of New York Life Insurance Company for nearly twenty-four years.

In twenty-four years you have numerically been multiplied by three; and your collective property in this Company has been multiplied by three and a half.

You have made a great demonstration within a generation of the power that lies in co-operation between "humans." You have become increasingly convinced of two great truths.

First,— that "no man liveth to himself," and the less he tries to do that the more truly and fully he lives.

Second,—that men are naturally honest and that those in positions of responsibility and trust in business are more honest and much more capable than men are as a whole.

Emerging from the frightful financial disasters of 1930, people are wondering if it was all or in large part necessary. They are asking why such heart-breaking experiences should not naturally cease in countries organized to preserve the strength and the inspiration that lie in individual efforts and in the ownership of private property.

American life insurance reaches its present greatness just in time to answer that question. It is true that we have had in this the freest and most individualistic section of the world (United States and Canada) a disturbing experience. Could it have been avoided substantially? I answer it could and some day such happenings will be largely avoided.

As we emerge from this setback in our economic system we discover that one thing remains unchanged and substantially unaffected.

It is almost literally true that every man who owns property is poorer today than he was a year ago; but to the extent that his possessions are represented by Life Insurance he is as rich today as he was a year ago.

They (his Life and Endowment policies) have not shrunk in value—except as he may have used them as collateral to relieve his needs in other directions.

Suppose the total outstanding insurance a year ago had been 220 billions instead of half that—suppose the assets of the Companies had been 38 billions instead of half that. How much less would the speculation and loss have been in 1930?

Life Insurance Companies will ultimately achieve those totals and greater ones and they will yearly represent an increasing and conservative factor in the whole property problem.

Life Insurance assets are not used speculatively. With relation to our total national wealth those assets represent a steadily increasing factor. They increase the factor of stability and decrease the factor of chance. That gain has been steady for almost a quarter century. Outstanding insurance will double and assets will double long before the wealth of these countries doubles. The lesson of it all is that economic changes of profound significance and of fundamental importance are taking place as the result of the amazing growth of Life Insurance. Life Insurance does all that its devotees have claimed and now it emerges from this world catastrophe substantially untouched and rendering a public service that few people ever realize.

It was organized to mitigate the terrors of death. It has become a valiant and an increasing defense against the economic disasters that periodically devastate the business world.

In other words, we are, through Life Insurance, in these great, free countries, preserving individual enterprise and the rights of individual wealth and at the same time we are utilizing the almost immeasurable power of united and common action.

We are gaining on economic disaster and we shall go on gaining because Life Insurance will go on gaining.

In free countries there is no way to stop speculation; to do that arbitrarily would not be consistent with the principles of freedom. *But!* Yes, a great big *But!* When Life Insurance has become the great reservoir into which the people put their savings increasingly, speculation will become relatively less and we shall finally have adopted almost imperceptibly, a new economic program.

This will be founded on co-operation, brains and fidelity. That's a pretty good description of the elements that have made our Life Companies great—co-operation, brains, fidelity and, I add, hard work.

The balance-sheet above will show what a splendid part your Company is playing in the total.

DARWIN P. KINGSLEY, *President.*

New York Life Insurance Company
BALANCE SHEET—DEC. 31, 1930

ASSETS		LIABILITIES	
Real Estate Owned	$34,307,572.19	Reserves—ample to meet all contractual obligations	$1,588,057,722.02
First Mortgage Loans on Farms, Homes and Business Property	578,255,940.83	Dividends payable to Policy-holders in 1931	72,541,788.00
Bonds of the United States, Other Governments, States, Cities, Counties, Public Utilities, Railroads, etc.	706,752,997.95	All other liabilities	7,455,677.00
Preferred and Guaranteed Stocks	73,662,042.00	Total liabilities	$1,668,055,187.02
Policy Loans, Cash and Other Assets	396,089,181.03	General Contingency Fund	121,012,546.98
Total Funds for Policy-holders' Protection	$1,789,067,734.00	Total	$1,789,067,734.00

DIVIDENDS Payable in 1931	NEW BUSINESS 1930	TOTAL RESOURCES Dec. 31, 1930	Insurance in Force Dec. 31, 1930
$72,542,000	$900,897,000	$1,789,000,000	$7,626,000,000

Branch Offices in most of the Larger Cities of the United States and Canada.

gray hair and the depressing influence of prejudice are making men old before their time and killing some of the best of them before they have lived out their useful years.

Old-timers interested in work

THE problem, from both its sociological and economic standpoints, is not merely to take care of old employees, but to keep them employed. This was brought home to me recently by the sister of one of the members of our Half Century Club. He passed his eightieth birthday some time ago, and for many years his sister has kept house for him. Every day he puts in eight or nine hours in his office.

His sister told me that he would have died several years ago if it had not been for his employment, and that she was sure his interest in his job would keep him alive for years to come.

Well, if his job has given life to our old employee, he has put life into his job. His work and his judgment are still useful to the company, and think of the marvelous example of enduring loyalty he is setting for every member of this organization!

Although this policy has been in effect ever since the company was established 91 years ago, it has not always been easy to enforce its principal reason, which might be called a requirement. Even when I took over my present job, it was sometimes difficult to convince the old fellows that it was their duty to pass on what they had learned about the business to the youngsters.

Until a generation ago, a boy usually got his start through a rather hard apprenticeship. He learned by hard knocks and when he arrived in a good job his tendency was to withhold what he had learned and insist that the coming generation acquire its knowledge by the same means.

The breaking down of this tendency has been an important factor of our management. Our men have learned that the success of a business like ours is never the result of the activities of any one man, but depends on intelligent teamwork and enthusiastic cooperation. Instilled into their minds is the fact that the job and not the man is the all-important thing.

Throughout the company's history we have inspired our managers and keymen to train the youngsters. We have made this a principal responsibility, as important as any other factor of every important job. Every official must train a man to carry on his part of the work. Undoubtedly this has been one of the main reasons for our success.

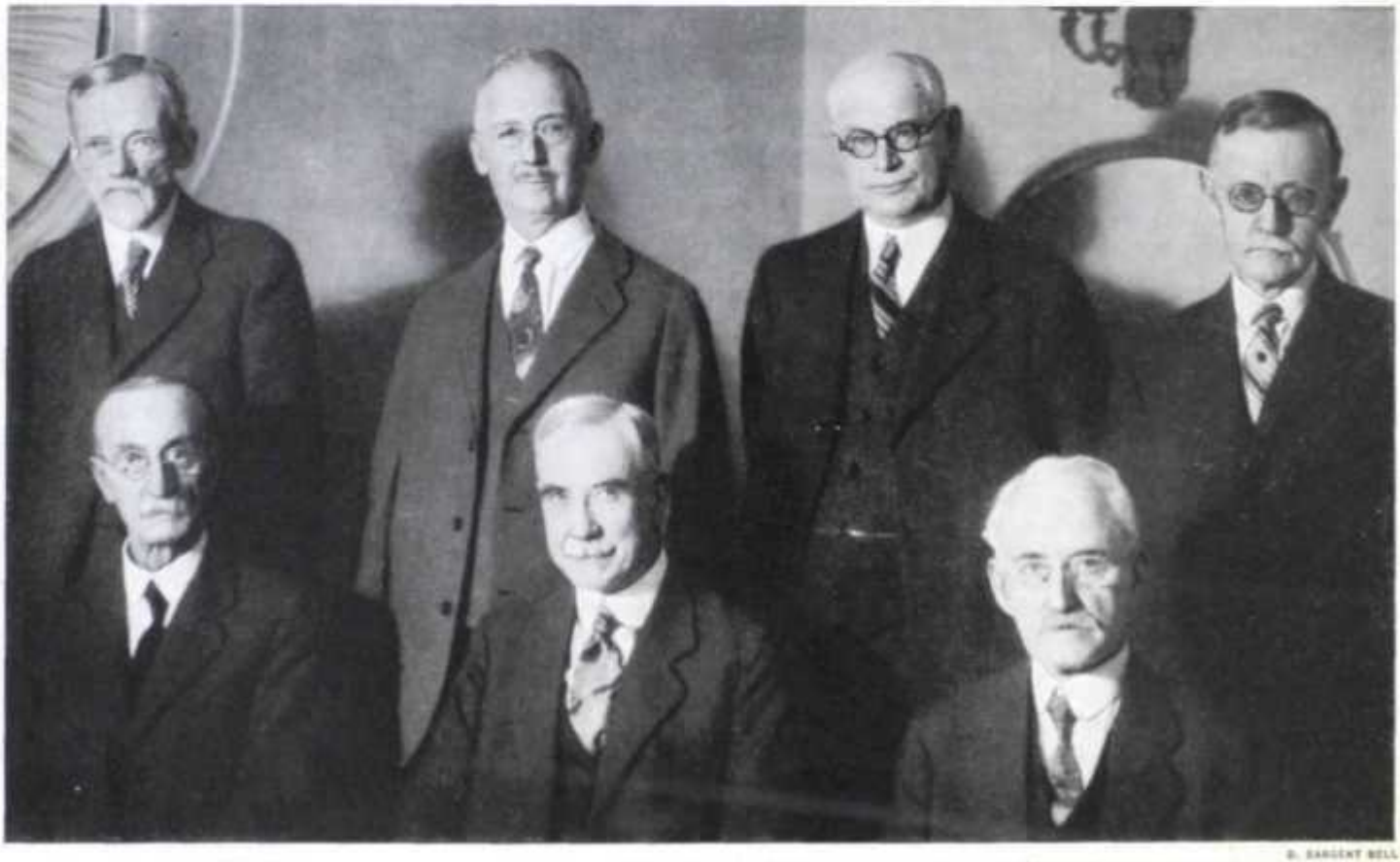
Therefore, although we have many so-called old men in our organization, we are assured against becoming old-fashioned, for our young men are encouraged to develop their imaginations and originality. We realize that a business, like civilization, must progress by the effort of one generation to build beyond the progress of the last.

When I mention our success, I do not wish to give the impression that our business is larger than it is, nor that a larger business cannot be built without an old-age policy. Several hardware distributing houses in the country are larger than ours and many successful companies operate on radically different policies.

A square deal for all

WE are not the largest concern of our kind; but I am convinced that there is not a happier organization anywhere, nor one more enthusiastic and loyal. Obviously, enthusiasm and loyalty are responsible for our progress, as they must be for every real commercial success; but money will not buy these qualities. They can be won only by companies that give their employees a square deal. We are convinced that a square deal includes the guarantee of continuous employment as long as individual employees do their work reasonably well.

Practically all of our men joined the



Two members of the Half Century Club have records of more than 60 years' continuous service with their Company, while five have served the firm between 55 and 60 years

Will history repeat itself?

IN 1853, when the Agricultural was founded, there were reporting to the State Department 65 New York stock companies and 63 New York mutual companies.

During the 78 years since, that list of companies has been greatly depleted. Only 18 of the stock companies remain—and only 2 of the mutuals! Some were absorbed by stronger competitors. Others simply fell by the wayside—unfortunately, on occasion, with considerable loss to policy holders.

Much of this disappearance must be laid to financial difficulties—no small part of it following money panics and periods of depression.

Will history repeat itself?

In one respect it will! The Agricultural will steadily forge ahead, as it has through more than three quarters of a century.

Its financial strength is definite assurance of ability to meet emergency. Its business methods and reputation among policy holders and agents is an indication of further growth and increasing importance in the field of insurance.

Ask us for a financial statement. Study it—make your own comparisons. The facts will prove the stability of this long established company; will give you an extra feeling of security if you are insured with the Agricultural.

Agricultural
Insurance Company,
of Watertown, N.Y.

THESE AGRICULTURAL POLICIES ARE AVAILABLE TO ALL PURCHASERS

Fire · Parcel Post · Automobile · Marine · Use and Occupancy · Rent and Leasehold · Windstorm · Floater
Aircraft Damage · Sprinkler Leakage · Earthquake · Explosion and Riot · and other property coverages

company as boys, as I did. We have remained because the company has given us the opportunities of hard work, the adventure and progress of promotion, and, best of all, the assurance that everything we do to advance the company will advance our own interests.

We have learned to look on our jobs, not merely as means of livelihoods but as our careers.

We know that as long as we strive honestly we shall be employed. We shall not be turned out in our old age; we shall be allowed to continue our part in the advancement of the business we have helped to build.



The Water cure for 4 P.M. Fatigue

DROWSY, FIDGETY, clock-watching "workers" are now readily cured of that chronic 4 o'clock fatigue. Valuable hours are thus salvaged, increasing the returns that thousands of progressive offices, stores and shops receive from General Electric water coolers.

Automatically—without noise, intrusions, or untidiness—each General Electric bottle or pressure cooler steadily provides drinking water of the most healthful, zestful, satisfying coolness.

Saving space, electricity, operating and maintenance costs, General Electric coolers also pay for themselves on the strictest economic basis. And they are built to go on at full efficiency long after the moderate first cost is all written off! A specialist is available to figure your *minimum return* on General Electric coolers. Address General Electric Co., Electric Refrigeration Department, Section CN 3, Hanna Building, 1400 Euclid Avenue, Cleveland, Ohio.

GENERAL ELECTRIC
WATER COOLERS

Join us in the General Electric Program, broadcast every Saturday evening, over a nation-wide N. B. C. network

A Merchant's Long Look Ahead

IT IS the year 1899, early in December. Members of the industrial commission on the relations and conditions of captial and labor employed in manufactures and general business are hearing testimony from which a report to the Congress is to be prepared.

John Wanamaker, a department-store merchant of Philadelphia, is duly affirmed and takes the stand.

"At your request I have come to give information concerning the operation of department stores—information that I may have," he tells the commission.

And from a paper Mr. Wanamaker reads a series of questions of vital importance to department-store operation and discusses them.

Members of the commission question him at length.

"In a department store do the large purchasers as a rule have an advantage over the small ones?"

"Do you use such things as leaders—temptations—to attract the customer to different parts of the store?"

Then, "Does the department store offer better facilities to customers living at a distance from the great business centers in the purchase of clothing and other lines?"

And of course Mr. Wanamaker replied in the affirmative.

Foreseeing the change

WHETHER he visioned the latest step in the Wanamaker store's policy of appealing to and servicing the distant customer will never be known but the testimony a little later is an interesting indication of his farsightedness in making deliveries.

The witness in describing the value of certain physical aspects of his business stated in conclusion, "I should think

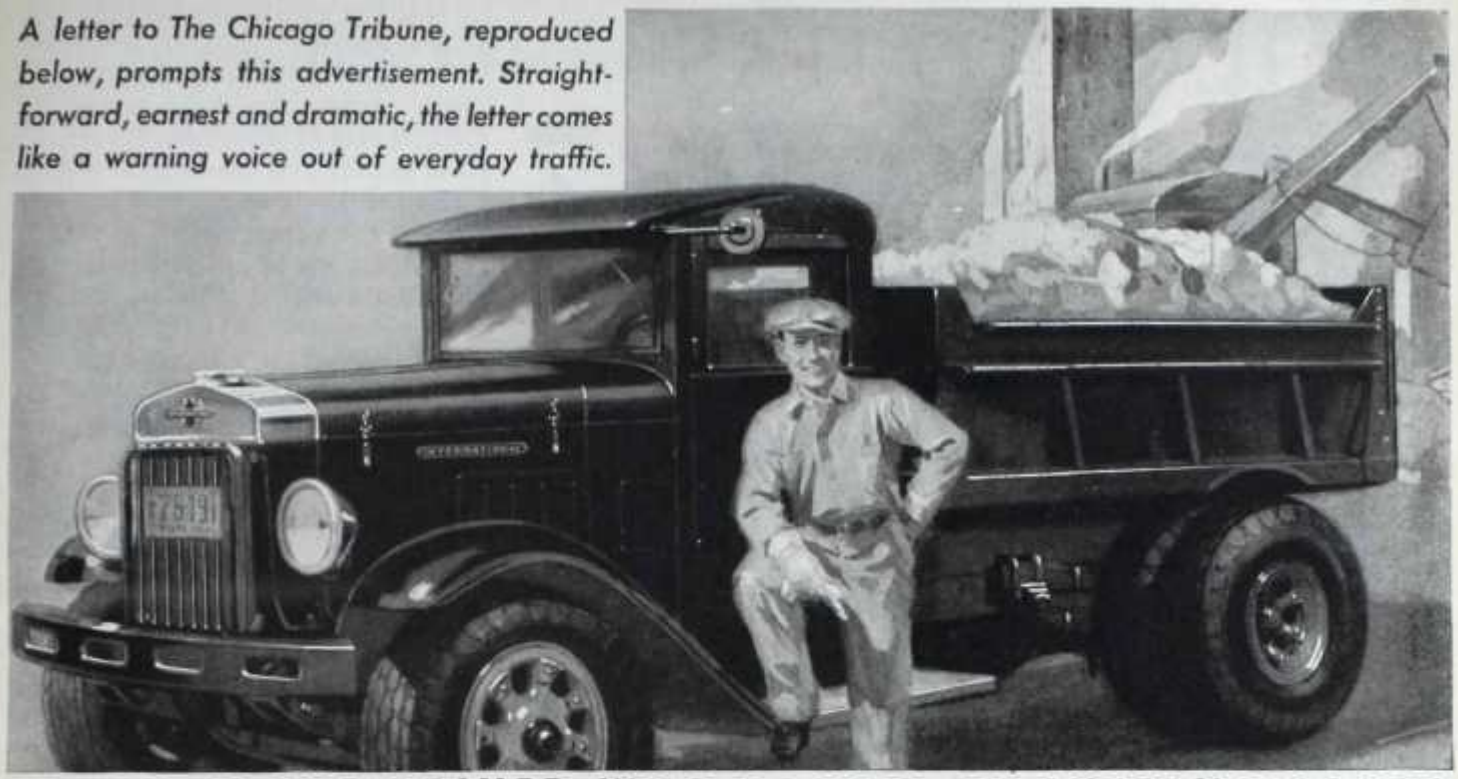


WIDE WORLD PHOTO

New York City will speed traffic with this elevated express highway, which when completed will extend along part of the west side of Manhattan Island

A Veteran Driver Speaks His Mind

A letter to The Chicago Tribune, reproduced below, prompts this advertisement. Straightforward, earnest and dramatic, the letter comes like a warning voice out of everyday traffic.



HAPPY IS THE DRIVER WHO DRIVES AN INTERNATIONAL

THIS letter, which is reprinted from the "Voice of the Traffic" column of The Chicago Tribune, sounds a note to which every owner of motor trucks and truck fleets should give heed.

Do your trucks deserve to haul your loads? Or are there antiquated models among them, hazardous to life and limb, destructive to driver-morale, and raising costly hob with your profit opportunities? Turn the obsolete trucks out to pasture and *invest in efficient new equipment.*

✱There is a bright side to the veteran driver's letter. He admires the great modern fleet of Tribune trucks. This fleet, serving the Tribune organization, and used in the distribution of The Chicago Tribune, The New York Daily News, and Liberty, now numbers over 200 trucks, and *all of them are Internationals.*

The full line of Internationals—Speed Trucks and Heavy-Duty Trucks of new design—is ready for inspection at 182 Company-owned branches in the United States and Canada. Sizes from ¾-ton to 5-ton. Demonstration will be arranged at your request



Above is one of the trucks this driver compliments so highly in his letter —it is one of The Chicago Tribune's large fleet of Internationals.

To the Chicago Tribune:

"I see that the Cook county police are beginning a drive against noisy trucks. Being a truck driver I believe that the authorities are taking the wrong course in warning drivers to make repairs.

The large cartage companies do not listen to the drivers' complaints, or else it is because our foremen do not inform the owners. Daily we are forced to take out patched up 10 and 15 and even 20-year old trucks, with faulty brakes, hard to shift, and still harder to steer.

As for loads, I have put a monster load of canned goods on one truck and hauled it through the city, praying all the time that no other vehicle would cut me off too close. Going at a speed of 10 miles an hour, I required 80 feet to stop, using both sets of brakes.

The speed governors on our trucks are all 'out of order,' and we are laid off if we do not make good time. It is the same if our chariots break down too often or if we have an accident, no matter how slight. It is only because we are expert drivers that we get by. I believe it really criminal to force men to drive some of the wrecks that are on the streets today.

✱ I notice (enviously, too) that the Tribune always has an up-to-date fleet of trucks, and I have yet to see one of them broken down on the street or in a serious accident."

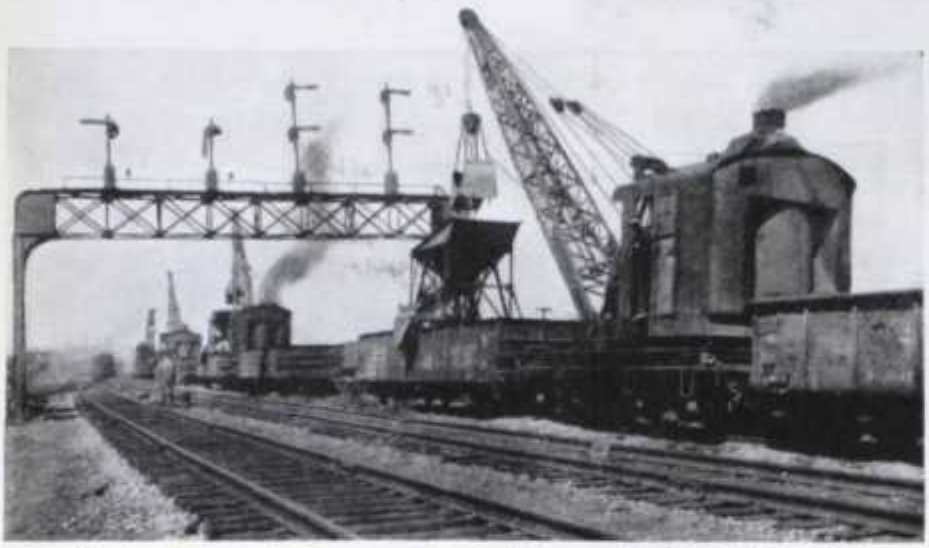
A Truck Driver

INTERNATIONAL HARVESTER COMPANY
OF AMERICA (INCORPORATED)
606 So. Michigan Ave. Chicago, Illinois

INTERNATIONAL

INTERNATIONAL TRUCKS

The PENNSYLVANIA RAILROAD HAS PURCHASED 237



Twenty-five ton capacity steam locomotive cranes cleaning track ballast.

LEAVING the crowded seaboard cities behind, the Pennsylvania Flyers take you speedily across the plains and through the beautiful wooded valleys of the Appalachians. These luxuries and punctual schedules of modern travel did not just happen. They are the visible evidence of scores of perfectly co-ordinated units, in which we take pride that Industrial Brownhoist locomotive cranes have had a part for nearly forty years.

Cleaning track ballast, coaling locomotives, laying rails, clearing track obstructions and doing the heavy handling on many kinds of construction work—these are only a few of the many jobs for which the Pennsylvania Railroad uses Industrial Brownhoist cranes. Two hundred and thirty-seven locomotive and crawler cranes make up this one road's fleet and the cranes are of many different types, ranging from 7½ to 150 tons capacity.

Industry today demands machinery which will show a substantial profit. In railroad service or your own, if you have materials to handle, an Industrial Brownhoist crane will quickly pay for itself. Our long experience has enabled us to help thousands of companies reduce their material handling costs. May we be of similar service to you?

Industrial Brownhoist Corporation, General Offices, Cleveland, Ohio

District Offices: New York, Philadelphia, Pittsburgh, Detroit, Chicago, San Francisco, New Orleans
Plants: Brownhoist Division, Cleveland, Ohio; Industrial Division, Bay City, Michigan; Elyria Foundry Division, Elyria, Ohio

INDUSTRIAL BROWNHOIST

When writing to INDUSTRIAL BROWNHOIST *please mention Nation's Business*

we have 400 horses in our stables at the present time."

The question:

"Do you use the automobile?"

The answer:

"Very little. The thing is not commercially practical yet—but it is coming."

That was in 1899. Mr. Wanamaker died in 1922. Few members of the Congress and others who formed the commission are living today.

Would it not be intriguing to lay before them today, were it possible, the printed report of the testimony with a finger pointed to the questions and answers quoted here and then the advertised announcement of the John Wanamaker store, Philadelphia, in 1931 which reads:

"Announcing a new and far-reaching expansion of our free automobile delivery service—covering extended areas in four states and the District of Columbia!"

The witness, with pride, told the commission of his stable of 400 horses. With keen forward business judgment he summed up the invention of the horseless carriage with "—not commercially practical yet—but it is coming."

Four hundred horses drew Wanamaker wagons to the far corners of Philadelphia's environs in 1899. A vision of the founder of the store perhaps is fulfilled in delivery, equally free of charge, of merchandise to the most southern tip of Maryland's eastern shore, the nation's capital and to Scranton, Harrisburg and Delaware Water Gap, in 1931.—JOHN H. HEINEY



The First Reapers

AFTER inventing his reaper in 1831, Cyrus H. McCormick endured nine years of derision and poverty before he could sell one machine, although he advertised it priced at only $50.

In 1840 he made his first sales, two reapers. In 1841 nobody bought any. In 1842 he sold seven.

Two years later his total annual business was 50 machines.

Now, when production and distributing economies are most vital, here's an important fact:

You can reach 19 million people more economically from Kansas City than from any other metropolis.

If economy of distribution is of vital importance, you should learn some very interesting distribution facts by sending the coupon below.

INDUSTRIAL COMMITTEE OF

THE CHAMBER OF COMMERCE OF

KANSAS CITY, MO.

THE 19-MILLION MARKET

NEW IN KANSAS CITY

Mammoth downtown construction continues into 1931 in Kansas City. Steadily moving toward completion are two of the city's tallest skyscrapers, being erected by the Kansas City Power & Light Company and the Fidelity National Bank & Trust Company. The former will be Missouri's tallest building.



INDUSTRIAL COMMITTEE, CHAMBER OF COMMERCE, KANSAS CITY, MISSOURI

Please send me the facts about Kansas City. I am interested in the _____ industry.

Name _____

Firm _____

Address _____

City _____ *State* _____

(I saw your advertisement in Nation's Business)

WHAT I'VE BEEN READING

By WILLIAM FEATHER

President, the William Feather Company, Cleveland, Printers and Publishers

AS HE appears in his autobiography "Steaming Up!",[1] Samuel Vauclain, president of the Baldwin Locomotive Works, is a man of unbelievable energy. When he was 17, he stood over six feet, weighed 180 pounds, and had a punch like a steam hammer. He hit a man only once.

The incident occurred one night when he was walking home from work, trailed by a dog. A labor gang boss, leaning against the front of a saloon, with a few drinks under his belt, kicked the dog. The boss was an amateur prize fighter. After kicking the dog, the roughneck lunged for Vauclain who also struck. The big fellow went down and the future locomotive builder and his dog went home peacefully. Not until later did Vauclain know that a doctor worked over the pugilist all night before he could bring him back to consciousness.

Obviously a man of that type, blessed with brains and ambition, was bound to get ahead. His production records as an individual worker were embarrassing to shop foremen. They didn't want him around because he made the other men look like loafers. He was promoted to jobs where comparisons would be less odious.

Through his life he has boasted, and he still boasts, that he can do the work of any man in his employ. Once, after he became an executive of the Baldwin Works, he lay on the running board beside the boiler of an engine, and sprayed a hot pin with a stream of water, so that the engineer could bring the train into Chicago on time. The temperature was below zero and the speed was 70 miles an hour. Vauclain wore an overcoat, but no gloves, ear laps, or overshoes—in fact, he never wears them. He had no frozen face, ears, hands, or feet, because he says he seems to be immune to heat, cold, and high altitudes.

[1] **Steaming Up!** by Samuel M. Vauclain, written in collaboration with Earl Chapin May. Brewer & Warren, Inc., New York. $5.



BLANK & STOLLER

Sam Vauclain still boasts that he can do the work of any of his men

He confesses, with delight that he began chewing and smoking at the age of seven. At 16 he quit, not because he feared tobacco would stunt his growth —he was as big then as he is today— but because he had a better use for the 50 cents a week that he spent for plugs and cigars.

It would be inconceivable that Vauclain should deal with labor unions. A man who has worked in tough gangs and bossed tough gangs thinks he knows more about the mind and desires of the worker than any business agent. An intense individualist himself, he encourages individualism. He is as contemptuous of associations of manufacturers, organized to fight labor, as he is of labor unions.

"You can't go wrong in being as nice to everybody as you want everybody to be to you," he says. "It's the same in handling gangs of men. Most men welcome good leadership. The average man can be led readily if you have his respect and if you show him that you respect him for some kind of ability. You don't have to beat him up to show your authority."

Since Vauclain is now in his seventy-fourth year, the book spans the history of our country from the Civil War on. It vividly reveals a tremendous personality.

♦

WALT WHITMAN, of course, is one of the immortal American writers. By comparison with his, other American poetry is feeble.

His prose is not so well known, but it is good. I read this, entitled "A Discovery of Old Age," and thought it worth quoting:

"Perhaps the best is always cumulative. One's eating and drinking one wants fresh, and for the nonce, right off, and have done with it—but I would not give a straw for that person or poem, or friend, or city, or work of art, that was not more grateful the second time than the first—and more still the third.

"Nay, I do not believe any grandest eligibility ever comes forth at first. In my own experience (persons, poems, places, characters), I discover the best hardly ever at first (no absolute rule about it, however), sometimes suddenly bursting forth, or stealthily opening to me, perhaps after years of unwitting familiarity, unappreciation, usage."

♦

I AM not accustomed to buying books that command a premium because the edition is rare, limited, or *de luxe*, but I made an exception this month when I was attracted by a gay box on the bookseller's table in which reposed a beautifully printed volume entitled "William Cobbett's Advice to Young Men and (incidentally) to Young Women."[2]

Thumbing through the book, I came upon an interesting observation but my reading was stopped by an uncut page. I then looked for the price of the book and found it was $15. Such a price

[2] **Advice to Young Men and to Young Women** by William Cobbett. Alfred A. Knopf, New York. $15.



High Visibility

SAW IT IN ROTOGRAVURE

An accurate checking of reasons for the first purchase of a product would give high rating to the answer—"I saw it in rotogravure." Rotogravure sections are voted "First" in Reader Interest by newspaper readers. This great Reader Interest and the relatively small size of the sections give each advertisement High Visibility. The use of photographs creates Believability. The type of editorial and advertising material found in rotogravure produces the desirable background of Class Association. « « These four things are necessary—Interest, High Visibility, Believability, and Class Association. Rotogravure offers them to you on a Concentrated, Flexible, Local or National Scale. To gain sales economically, use the advertising medium that has economic reasons for its existence and success. Use more rotogravure in nineteen thirty one.

Kimberly-Clark Corporation

Established 1872

Neenah, Wis.

New York: 122 E. 42nd St. Chicago: 8 S. Michigan Ave. Los Angeles: 510 W. Sixth St.

For sixteen years, advertisers have used rotogravure because of the quality of reproduction possible upon the KIMBERLY-CLARK paper used in the majority of rotogravure sections. In the interest of rotogravure, KIMBERLY-CLARK not merely maintains but strives continually to raise the standard of its paper—and of rotogravure. Quality sells itself.

For years the paper setting the standard for every type of rotogravure reproduction, yet proving equally suited to fine color or black and white printing, has been a Kimberly-Clark product.

Kimberly-Clark Corporation

Established 1872
NEENAH, WIS.

NEW YORK
122 E. 42nd St.

CHICAGO
8 S. Michigan Ave.

LOS ANGELES
510 W. Sixth St.

would usually be prohibitive for me, but in glancing at other pages I found that they were alive with original advice and reasoning.

I needed a book for that evening and knew that I should enjoy no other since my appetite had been whetted for William Cobbett by the sampling. And so the handsome reprint of the original edition, published in 1829, is now a part of my library and will be treasured as long as I live.

Cobbett was one of the most prolific writers of all time. He published a hundred books, wrote innumerable pamphlets, and edited a weekly paper for which he supplied most of the copy. He was one of the most popular writers of his day, and is said to be the symbolic figure of the transition from Agrarian England to Industrial England. My father tells me that when he was a boy in England every young man who had a serious outlook on life considered the reading of "Advice to Young Men" a foremost duty.

♦

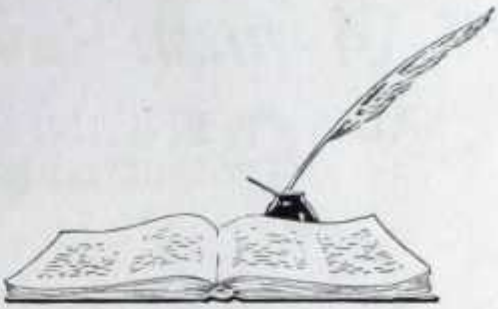
COBBETT'S amazing personality jumps out of every page. He was a tremendous egotist, regarded himself as a genius, and boasted that the work he compassed had never been equalled by any other man in the history of the world, and that it was a cause of amazement that one man could do so much. He did not expect that others could do as much as he did, but he asserted that everybody could do better if he cut out strong drink, kettle-slops (tea, coffee, and soup), ate faster, shaved quicker, and discontinued idling about the dinner table and the tavern with pipe-and-pot companions.

He said that morning-gowns and slippers were inventions of the devil since they encouraged shiftlessness, and he records with approval the remark of a friend who said he did not intend to have his son taught Latin but did expect to teach him to shave with cold water and without a mirror.

He reasoned that the young man who needed hot water for shaving would waste much time waiting for the water to be heated and brought to him. Some days, when hot water was lacking, he would not shave at all and would present a slovenly appearance.

"Trifling as this matter appears," writes Cobbett, "it is, in fact, one of the great concerns of life; and, for my part, I can truly say that I owe more of my great labors to my strict adherence to the precepts that I have given you, than to all the natural abilities with which I have been endowed; for these, whatever

SELF-ANALYSIS



THIS is a period of self-analysis for corporations as well as individuals. Self-analysis is an outstanding characteristic of the managements of the great corporations today in order to effect all possible economies in this period of unusual business conditions and to prepare, through readjustments, for the better times ahead.

Through forty years we have been engaged at various times by the management of many great corporations in this country to assist in the problems of self-analysis. Today we have a large number of men engaged in such work.

This is a regular part of our business.

In order to be most effective we maintain a large staff of specialists composed of men of wide experience. They have acquired a broad viewpoint, not only through actually assisting in such problems, but by constantly keeping abreast of the times. This is made possible through their contacts with engineering and construction problems and their familiarity with fundamental economics.

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A Subsidiary of Stone & Webster, Incorporated

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BUILDERS *and* ENGINEERS *for the* BUSINESS LEADERS *of* AMERICA

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PERFORMANCE

EVERY Worthington sales engineer sells performance . . . not merely equipment. He does this because he himself is a capably trained and experienced engineer . . . because he and his associates are familiar with the industrial applications of Worthington products . . . because he has behind him, within the Worthington organization, fourteen distinct groups of engineers, each specializing in a particular class of equipment.

These groups of specialists become the Worthington customer's staff of consulting experts. Their services are readily available for the solution of the problems that arise in their respective fields of work.

As a consequence of this method of operation . . . plus the exceptionally wide range in types and sizes of units built by Worthington . . . you are assured of recommendations based on the ability to gauge your requirements accurately and to furnish the equipment exactly suited to your individual needs . . . *Worthington guaranteed.*

Communicate with the nearest Worthington district office.

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For All Services
Any Capacity . . . Any Pressure
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Stationary and Portable
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G-36

WORTHINGTON

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may have been the amount, would have been of comparatively little use, even aided by great sobriety and abstinence, if I had not, in early life, contracted the blessed habit of husbanding well my time."

His sermon on promptness, his tirades against drunkenness, gambling, and adultery, his advice to lovers and husbands, and his account of his own courtship and married life are delightful reading because they are written with so much zest and sincerity.

A man that cannot pass an evening without drink merits the name of a sot, he asserts, and a guzzling woman, "one who tips off the liquor with an appetite, and exclaims 'good! good!' by a smack of her lips, is fit for nothing but a brothel."

Some of the choicest reading in the book comes in the chapter in which Cobbett advises the young man as a lover, and tells him how to size up a girl before he seeks her hand. His passion is industry, and consequently he is at pains to show the young man how to detect a lazy girl.

•

HE SAYS that the enunciation of an energetic person is quick and distinct, not slow and soft "as if the party were sick at the stomach." The desirable girl is quick at her meals, she goes at her food by biting and not squeezing it "as to leave you in doubt as to whether she means finally to admit or reject it." The ideal woman walks with a quick, hearty step; beware of sauntering, soft-stepping girls, they will make mawkish wives and cold-hearted mothers.

Cleanliness is important; therefore the young man will contrive to look behind the ears, and if he there finds grime he will avoid her as he would vermin.

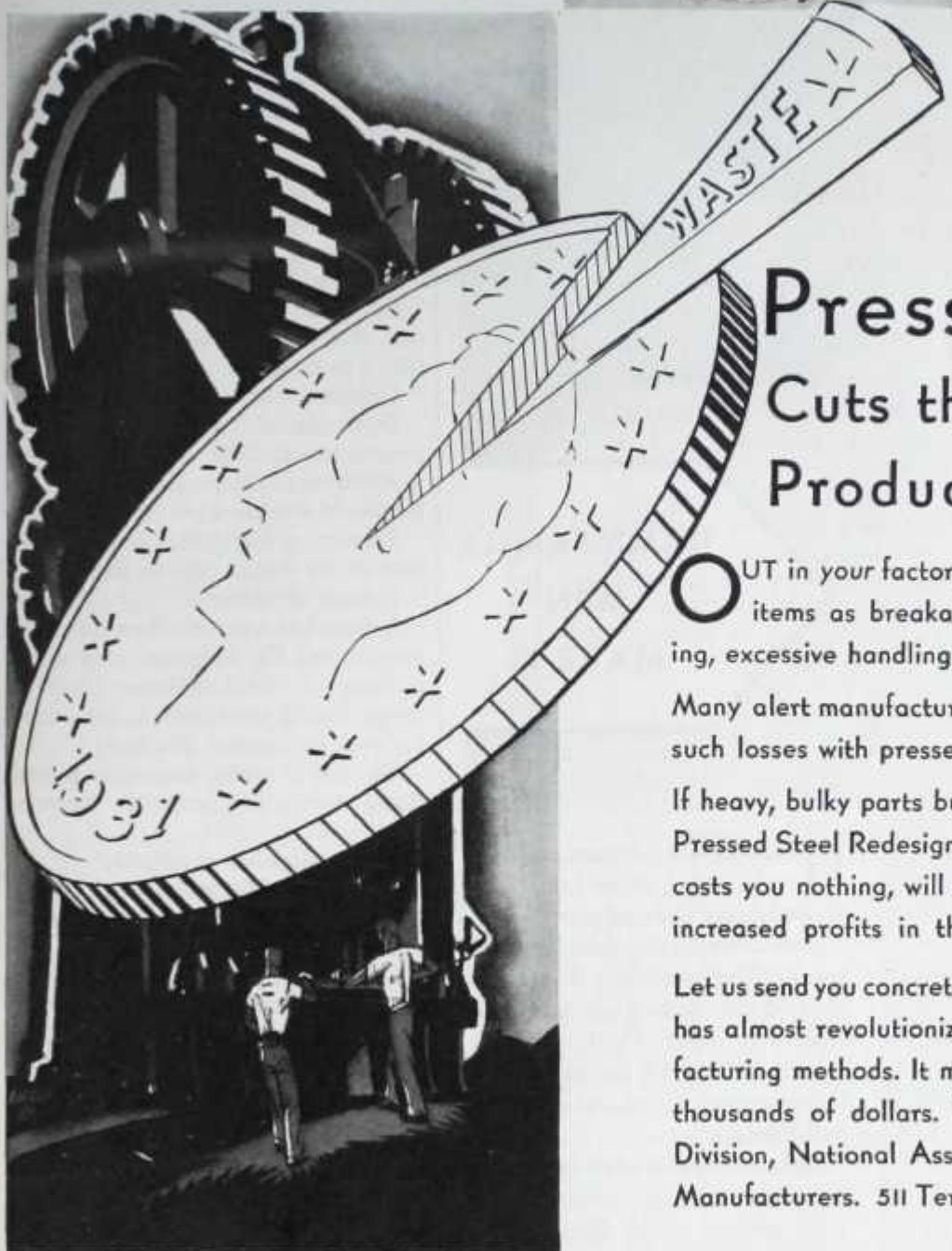
He hopes that "no young woman will be offended at this and think me too severe on her sex," but he simply can't bear "stale dirt," and he knows that all men are alike in this respect, because they know that a sloven in one thing is a sloven in all things.

I should mention that the book is addressed to young men and women in the middle ranks of life, and that the advice appears in separate chapters for the young man as a youth, a bachelor, a lover, a husband, a father, and a citizen.

This book was written when Cobbett was 66. He put into it the experience of a successful and interesting life. Part of his life was spent in jail because he offended the government. He started as a poor farm boy and rose to great dis-

The cover of the meter here shown, at one time was a heavy, bulky part. Grinding, drilling, mounting and breakage costs were too high. Redesigning the cover in pressed steel saved these costs as well as 10% of the first cost of the part.





Pressed Steel
Cuts the Waste from Production Dollars

OUT in *your* factory does "overhead" include such items as breakage of parts, refitting, machining, excessive handling costs?

Many alert manufacturers have practically eliminated such losses with pressed steel.

If heavy, bulky parts burden your product, call in the Pressed Steel Redesign Engineer. His research, which costs you nothing, will reveal how you, too, can enjoy increased profits in the modern pressed steel way.

Let us send you concrete evidence of how pressed steel has almost revolutionized obsolete and costly manufacturing methods. It may be the means of saving you thousands of dollars. Write today. Trade Research Division, National Association of Flat Rolled Steel Manufacturers. 511 Terminal Tower, Cleveland, Ohio.

Save $ Money Labor Time Steel Weight with Pressed Steel

What's in a name? Plenty!



"HAMMERMILL," for instance. For years, *that* name has meant dependability in bond paper.

Now it means dependability in a lower-priced bond, too. For Hammermill men have made a new inexpensive paper which you can quickly identify by the watermark, "Management Bond—a Hammermill Product."

Eight colors and white in the full range of usual commercial weights. Your printer stocks Management Bond, or can get it for you promptly.

HAMMERMILL PAPER COMPANY
Erie, Penn.

Please send me the Portfolio of Management Bond, the lower-priced paper made by Hammermill.

Name

Position

ATTACH THIS COUPON TO YOUR OFFICE LETTERHEAD

When writing to HAMMERMILL PAPER COMPANY *please mention Nation's Business*

tinction. Several years were spent in Philadelphia where he taught school.

His homely wisdom is like that of Benjamin Franklin, and in invective he surpasses even Doctor Johnson. As Earl E. Fisk, the editor, says in a preface, he is invariably outspoken. He despised easy living, to wit:

"Your quiet 'pipe-and-pot companions' are, perhaps, most fatal of all. Nothing can be conceived more dull, more stupid, more contrary to edification and rational amusement, than sitting, sotting, over a pot and a glass, sending out smoke from the head, and articulating, at intervals, nonsense about all sorts of things."

♦

A BOLD exploration of the future is made by the late Earl of Birkenhead in "The World in 2030."*

The Earl expects:

Synthetic food and the complete decay of agriculture, except as a gentleman's pastime.

Utilization of total energy.

Perfection of television far beyond present expectations.

Abolition of epidemic disease and extension of the life span to 125 years.

Practice of human ectogenesis (nurture of the foetus outside the womb).

Control of heredity.

Release and control of intra-molecular energy, and the invention of a motor running on intra-molecular. Such a motor would weigh but a few ounces for each horsepower developed.

The end of rubber and cotton plantations, synthetic products replacing them.

Decentralization of industry.

A sixteen-hour working week.

Attempted and possibly successful exploration of Mars and the Moon.

Continuation of British rule in India.

Probably another great war.

♦

IT IS possible, the author says, that a gigantic personality may so twist men's minds that Western civilization will be completely destroyed, and exist for coming generations only as a memory and a name. "But against this peril I pin my faith upon the genius of the Anglo-Saxon race."

Who wishes he could live in the twenty-first century? Not the Earl of Birkenhead. He confesses that he finds a certain solace in reflecting that his own birthday occurred towards the latter end of the nineteenth century.

*The World in 2030, by the Earl of Birkenhead. Brewer & Warren, Inc., New York, $3.





MEN GROW WITH YOU IN PIEDMONT CAROLINAS

DO YOU WANT men who will grow with you, men who will develop as your affairs develop, men who will build themselves and take on responsibility as you build your business?

You will find in Piedmont Carolinas that even the humblest "hand" often has in his make-up elements of loyalty, intelligence and the will-to-succeed that is reminiscent of an earlier day in America.

Look at what is behind these qualities, so wide-spread among the people of Piedmont Carolinas:

They are 99% native born, descendants of the pioneers that subjected a wilderness to civilization and helped mightily to win the War for Independence.

Although this is by far the most widely industrialized section of the south, three times as many of our men and women are engaged in farming, as in factory work.

Their energy and industry are partly traceable to a sturdy inheritance, but credit must also be given to the climate of this section. The dry, bracing atmosphere is invigorating even in midsummer, and never for long subject to muggy spells that bring a train of prostrations and enervation. Winters are moderate and comfortable. The general average of health is high; the death rate for the Carolinas is among the lowest in the Nation.

MEN ARE MANAGING large factories who a comparatively few years ago were punching the time clock, and the number of major executives who have developed from such apparently unpromising beginnings is unusually large.

People here are pretty much "folks." There is not the wide cleavage between class and class so often found where national and racial sources differ greatly.

The mill owner and his chief lieutenants engage in the community life of the place where the factory is located. They support the same churches. The children attend the same schools. All this is possible because the level of intelligence is high and because there is mutual understanding and respect between employer and employed.

Limitless supplies of important raw materials, strategic location with respect to national markets, and abundant hydro-electric power all contribute to make Piedmont Carolinas great. But beyond these things, the most important single element is the character and energy of the men and women who live and work here.

That is the fundamental reason why this region has, in a few short years, witnessed an industrial development without parallel.

GET THE FACTS. Send for PIEDMONT CAROLINAS, WHERE WEALTH AWAITS YOU, business letterhead, please. Address Industrial Department, 112 Power Bldg., Charlotte, N. C. Your request will receive prompt and courteous attention.



AN INVITATION

Would you care to visit a number of typical factories in this section? Plants making products similar to yours? Just let us know when you would like to come, and the types of operations you want to see. We shall be glad to help arrange such a visit for you in every way possible.



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THE Industrial Carburetor is a central station *premixing* plant that accurately proportions air and gas before it is piped to the burners. Because of perfect carburetion, this gas-air mixture gives perfect combustion, meets control requirements such as only electricity could previously give, provides reducing atmospheres in gas-fired heat treating furnaces, gives the same 100% efficiency in confined space as elsewhere and demonstrates a startling "turn-down" range.

With the Industrial Carburetor no secondary air is burned, and no carbon monoxide formed. Flame pressure is sufficient that the Kemp flame is frequently demonstrated *burning in water.*

Because 100 per cent carburetion means 100 per cent heat, the Industrial Carburetor cuts gas bills, in numerous cases 25 per cent and more. Check into this with the convenient coupon below.

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We will be interested in having complete information on the Industrial Carburetor, who uses it and why.

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Why the Post Office Loses Money

(Continued from page 43)

with its fifty million dollars loss a year, would be the first to go." But he did not add that even if the Post Office Department were managed as a service 50 million dollars a year might be saved on the rural free delivery and without impairment of the service.

Revision of postal rates in various classifications is a subject that comes up frequently, and there has been a lot of pulling and hauling at rates without any great apparent benefits. Mr. Brown's proposal and the effect it might or might not have in light of the past is of interest to the tax-paying public.

The revenue from first-class mail is about 365 million dollars a year and approximately 67 per cent of this income is from the nonlocal sealed-letter mail. An increase of 25 per cent, such as Mr. Brown proposes, would, if all this class of business were retained, mean additional income of some 64 million dollars.

Business to pay forty million

NO statistics are available to show how much nonlocal sealed-letter mail is business mail, but those familiar with postal trends believe business would pay about 40 million dollars of the increase.

Just how much of the estimated 64 million dollars in increased revenue actually would come to the Post Office Department is problematical. In previous instances rate increases have brought great loss of volume and, in some cases, decided loss of revenue. Postmaster General Brown himself estimates that 500 million pieces of mail that now go first class would go third class. This would mean a loss of ten million dollars to first class and a gain of five million dollars for third class.

He believes 100 million pieces might be lost to the Department altogether. These eventualities would mean a net increased revenue of about 57 million dollars. Mr. Brown in his speeches has been putting the net increase at 55 million. How nearly correct Mr. Brown's estimate is can be determined, of course, only by trying the plan.

Assuming that business has to bear its share of the deficit, whether through taxes or increased postal rates, and leaving that question out of consideration, then those business houses which wished to avoid the increased postal burden would have to devise new methods for sending the nonlocal matter which heretofore has been sent in sealed letters.

The telephone and telegraph undoubtedly would be used more extensively. Third-class mail, where there is a minimum of one cent for each piece mailed (unsealed), would, as Mr. Brown has predicted, get some of it. Some of it probably would go to the government postal card. And probably scenic post cards would get a cut.

Nonpostal and extraordinary items, including the cost of franked mail, added ten million dollars more to the actual deficit in 1930 than in 1929. Exclusive of these items, the deficit was less than two million dollars more in 1930 than in 1929.

Penalty mail is the mail carried free for government departments other than the Post Office Department. The thousands of pamphlets sent out by the Department of Agriculture enjoy the privileges of penalty mail. The franked mail is the mail carried free for members of Congress.

If summary action could be taken, 40 or 50 million dollars could be saved on the rural free delivery. This service costs more than 100 million dollars a year, most of it in salaries, which average $1,986.27 a year. In addition, the carrier is allowed four cents a mile for his car. Carriers work, on the average, four and one-half hours a day.

Salaries and routes were created in the days of horses and mud roads. The salaries are made by Congress and rural carriers are not without political influence.

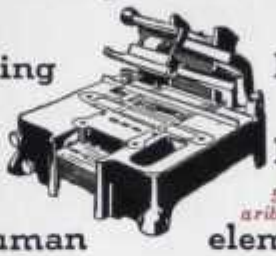
Saving on rural routes

BY COMBINING routes in cases of removal or resignations of rural carriers Postmaster General Brown made a net reduction of 562 rural routes in 1930. Net reduction since 1925 is 2,644, an annual reduction in cost of $2,883,185.31. The Postmaster General also is asking Congress to permit him to keep rural-route carriers working at other duties when not on their routes. This employment would be limited to eight hours a day. Some saving is being effected in this field, but compared with what might be done it is very little.

Those opposed to the increases proposed by the Postmaster General ask why rates should be raised on a part of the first-class mail when that is the only class that now shows a profit; also

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KEEPING and writing records is an essential operation in every business, large or small. Accuracy is vital. Speed is important. Economy is absolutely necessary. How is this important work being handled in your business? Is time being wasted due to slow, laborious hand methods? Are mistakes creeping in due to the "human element"? With Addressograph, records of customers, prospects, employees and products—descriptions and specifications—can be produced 10 . . . 20 . . . 50 times faster—without error. Work gets done on time—labor is saved—business is conducted in a modern, up-to-date fashion. In every department of your business, Addressograph can be used to effect unusual economies in the keeping and writing of fundamental every-day business records. The Addressograph representative in your locality will gladly demonstrate the application of this modern recording method to the writing of statements, ledger sheets, orders, invoices, payroll lists and checks, factory forms, letters, envelopes, innumerable other forms. A post card or phone call will bring him.



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Miles and Miles of Yellow Strand

This is the age of big projects—the deepening of waterways; the digging of great canals for transportation and drainage; the erection of mammoth dams to impound water for irrigation and power.

It is no mere coincidence that miles and miles of Yellow Strand Wire Rope are constantly employed in these enormous construction projects. The excavating and handling machinery are of the largest capacities obtainable—and each year finds them larger, putting ever increasing strains on their wire ropes. Only such rope as Yellow Strand can stand the gaff—economically.

Yellow Strand is designed and made especially for heavy duty. Its wire is drawn to our special specifications from steel of Swedish origin. And over fifty years of wire rope making experience go into its manufacture.

One strand of yellow is its *visible* difference from all other ropes and enables you to *see* that you get Yellow Strand when you specify it.

Broderick & Bascom Aerial Wire Rope Tramways are the economical solution of many a haulage problem. Write for catalog.

Broderick & Bascom Rope Company

St. Louis, Mo.

Eastern Office and Warehouse: 68 Washington St., New York, N. Y.
Southern Warehouse: Houston, Texas
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Manufacturers of nothing but wire rope for over half a century.

Yellow Strand WIRE ROPE



When writing to Broderick & Bascom Rope Co. *please mention Nation's Business*

why it is not possible to obtain the needed revenue by revising the rates in other classes of mail.

True, first-class mail is the only class that has shown a profit but there are a good many "ifs" and "ands" connected with this argument.

In 1929, the last year for which figures by classifications are available, the excess of revenue over expenditures for first-class mail was $78,633,418.47. But in other classes of mail the excess of expenditures over the revenues—that is, the deficit—was: Second-class, $94,001,197.88; third-class, $18,806,911.23; fourth-class, $20,368,872.08.

These figures, however, are based on a cost-ascertainment report of the Post Office Department which cannot be used and was not intended to be used as a sole guide in making postal rates. The cost-ascertainment report in which expenditures were allotted to various classes of mail was necessarily based on weight of articles mailed, time of clerks in handling mail, number of stops made for various classes of mail by city carriers and rural-route carriers. A cost report made in this way—and that is the only way it could be made—does not take into consideration the matter of service.

First-class gets the service

IT IS a question of service, and it is preferred service that first-class mail gets from the Post Office Department. If there is a rush in a post office, the first-class mail is delivered first and the others go out on later trips. If three deliveries a day are to be made instead of two, it is the needs of the first-class mail which decides the question.

This is a cost that cannot be measured by weight, or time consumed by clerks or carriers.

But a part of the second-class mail, daily and weekly newspapers, which bring in about half the revenue now supplied by all publications, also get preferred service—or at least are supposed to get it. That order was issued by Will Hays when he was Postmaster General.

As to what could be done in the way of revenue raising by revising rates in other classifications, it might be illuminating to examine what Congress already has done. Rates have been raised and volume has been lost. Then after the increased rates have been in effect and the volume lost, the rates have been decreased and a decrease in revenue has resulted.

Raises in rates always send part of the business in the classification to other

"That's the best thing this company's done for a long time!"



You want the good will of your people, you want your men and women to think well of you and of "the company."

Here's one way to increase that good will—and save money besides.

Frigidaire cooled water!

Sparkling, smile-producing, stimulating, refreshing cool water—all the *time*—regardless of hot-weather runs-on-the-cooler! It will make a difference that you can see on the faces of your people; a difference that you can see in the attitude your people have toward you, toward their work; a difference that you can see in the increased amount of work done and the better quality of that work.

Frigidaire Water Coolers have the extra power that keeps water at just the right temperatures under all conditions. They are built to provide lasting, care-free service at a cost of but a few cents a day. They represent the last word in *Advanced Refrigeration*—in every way.

Why not investigate today? It simply means calling the nearest Frigidaire man or filling out and mailing the handy coupon below.

Advanced GM FRIGIDAIRE *Refrigeration*

FRIGIDAIRE

FRIGIDAIRE CORPORATION, *Subsidiary General Motors Corporation*, Dept. P-56, Dayton, Ohio.
Please send me complete information about Frigidaire Water Coolers.

Name

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J. A. Gerlin, Traffic Manager,
THE BON AMI COMPANY, Inc.

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As we serve Bon Ami so will A. W. A serve you!

In 189 cities of the United States, Canada, Cuba and Hawaii, our member warehouses receive merchandise in carload or less-than-carload lots . . . store it until needed by wholesalers, dealers or users . . . then deliver it where it is wanted. In effect these warehouses become your branch house in each city you select . . . storing and distributing your goods receiving your mail and handling your orders . . . doing your billing and receiving your remittances if you wish . . . keeping in touch with you through daily stock reports.

Using the warehouse 'phone number, you may list your name in each local 'phone book, and the warehouse operator will take your salesmen's calls. Yet your identity is carefully preserved, for the warehouse can use your labels, your billheads, your stationery or any of your personalized forms.

Charges are made on a "piece work" basis. Your costs are based on the number of units of your goods that are handled. During dull periods you are not burdened with fixed overhead expenses, as you are if you operate your own branch houses. The AWA Plan cuts distribution costs, saves freight charges, speeds delivery, enables you to increase sales through the strategic location of spot stocks. Full details in our 32-page booklet, sent free on request.



AWA
AMERICAN WAREHOUSEMEN'S ASSOCIATION
1838 Adams-Franklin Bldg., Chicago, Ill.

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classifications or to avenues of distribution entirely outside the Department, and business that leaves the Department entirely does not always come back.

The experience in raising rates on second-class mail made up of newspapers and periodicals was not particularly encouraging. It is true that from 1918, when rates on newspapers and periodicals were greatly increased, until 1928, when a great reduction was made, there was an increase in revenue on the advertising volume of newspapers, which was the part affected by the rate changes.

In 1929, the first year of the increase, the revenue from advertising volume was $7,839,302.79. There was a fairly gradual annual increase until the fiscal year, 1928, the last of the high-zone rates on advertising volume, when the total income from this volume was $19,322,189.57.

But, considering the number of years and the increase during that time in publication circulations and advertising volume this increase in revenue was very small. Halsey, Stuart and Company recently reported that in the last decade newspaper circulation has increased 39 per cent and advertising revenue 60 per cent. If, following the increase in second-class rates, all of the newspapers and periodical mail could have been held by the Department the increase in revenue would have been enormous.

Not long ago Frederick A. Tilton, third assistant postmaster general, said that only 18.44 per cent of the volume of daily newspapers was sent by mail. Of the volume periodicals, 33.13 was sent by mail and 24.11 per cent by freight and mail. Let us say that, on the average, only 25 per cent of this class of printed matter is being sent by mail. As has been said, the revenue from this volume in 1928 was $19,322,189.57.

So, if all the newspaper volume could have been retained with the high rates, the total revenue as between 1919 and 1928 would have been nearly 80 million dollars instead of 19 million. If this business could have been retained (and obviously, it could not have been) Mr. Brown would have no deficit to worry about.

Low rates didn't help

BUT the sad part is that after the zone rates on advertising volume were greatly reduced, effective for the fiscal year 1929, nothing happened—or nothing much, at any rate. The decrease in rates brought an increase of only about 20 million pounds in this class of matter—small compared with the total volume of more than 550 million pounds—and the loss in revenue was slightly more than five million dollars.

Newspapers and periodicals, when zone rates were increased, went *via* motor bus, freight, express and their own trucks. So satisfactory have the new methods been that apparently the business cannot be lured back to the Department by rate decreases.

In the congressional hearings of 1925, Max Annenberg, director of circulation for the New York *Daily* and *Sunday News*, Chicago *Tribune* and the Liberty Magazine, said that, at the time, out of 1,025,000 *Sunday Tribunes* only about 2,800 were distributed by mail and of copies of Liberty only about 112,000. Many publishers gave similar testimony. Of course newspaper circulations have increased greatly since then.

Five million dollar deficit

BUT, although a large volume of this second-class business has been lost, it would appear that the deficit might be five million dollars a year less if the zone rates had not been reduced in 1929. Probably a great deal of this volume of business would have been lost even if the zone rate had not been increased in 1918, for newspapers had to find some quicker way of getting to subscribers.

Although it appeared to some that the law of diminishing returns had been reached with the rates effective until 1929, there is the five-million-dollar decrease to be explained away. Newspaper representatives contend that the higher rates in this classification were not justified because, due to cooperation with the Post Office Department, this mail is less expensive to handle. It is taken directly to trains and does not go through the post office in the city where it originates.

The raising of rates in April, 1925, from one to two cents on post cards, was disastrous from the standpoint of revenue. The number of post cards mailed the next year was 206,051,432. Nobody knows just how many such cards were mailed the previous year but a guess would be that the number equalled the number of government postal cards handled. That number was 1,250,000,000. Some of this business apparently went to the government postal cards as the increase in the number of postal cards the year after the increase in postcard rates was four times the annual increase before. But revenues increased only two million dollars while the estimated loss was about ten million dol-

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* * *

SEE YOUR DODGE BROTHERS DEALER. SEE, TEST AND COMPARE THE TYPE FITTED TO YOUR NEEDS.

DEPENDABLE

DODGE TRUCKS

THE COMPLETE LINE OF DODGE TRUCKS RANGES IN PAYLOAD CAPACITIES FROM 1,200 TO 11,175 POUNDS—PRICED, CHASSIS F. O. B. DETROIT, FROM $435 TO $2695, INCLUDING THE 1½-TON CHASSIS AT . . . $595



Way for a Seagoing Power Plant!

"STAND BY to make fast!" A strange-looking ship is towed into her berth. Lines are passed over the side ...including oil, water, and electric lines. Connections are made with land facilities . . . and power rushes ashore to the aid of a plant where the water power is low, or the electric transmission system disrupted.

Cargoes of kilowatts can be shipped to any point along the coast or waterways of New England on this erstwhile transport, converted into an auxiliary steam power plant by the New England Public Service Co.

Below decks, the 7000-ton Jacona is a model of modern power plant engineering, equipped with two 10,000 kw turbine-generators and two oil-fired boilers. Air for combustion is supplied by Sturtevant Draft Fans . . . air for ventilation by other Sturtevant Fans.

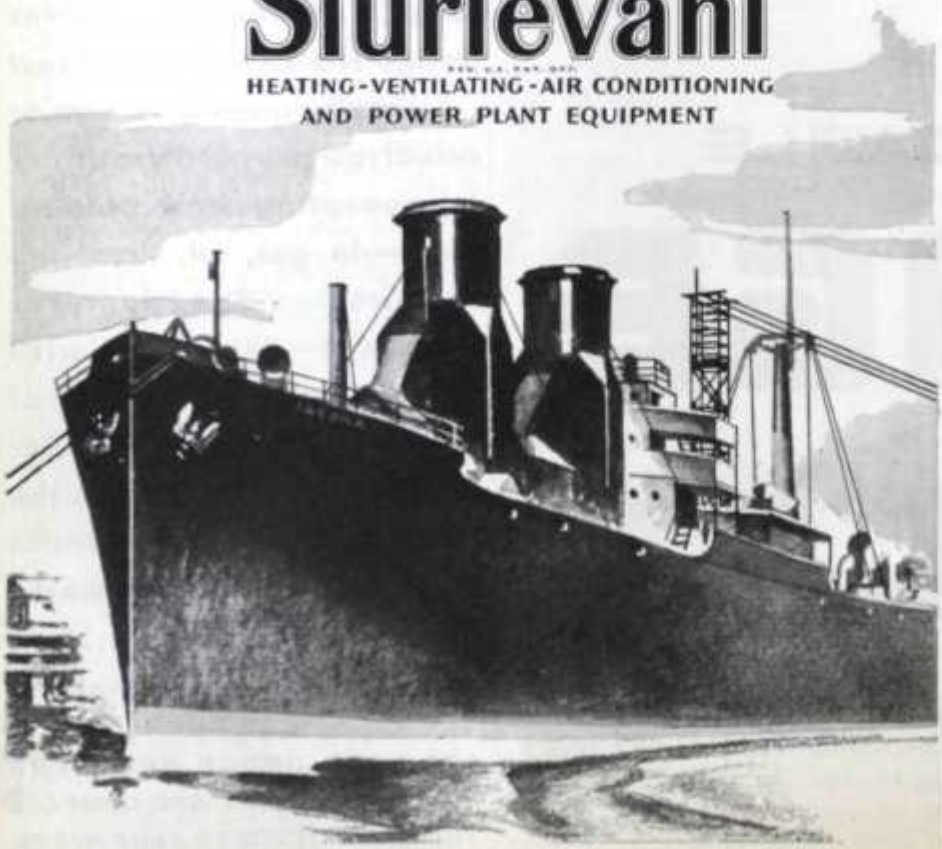
In ships and in submarine tunnels . . . in mines, power plants, skyscrapers . . . Sturtevant Apparatus is to be found in service the world over, wherever air is moved.

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Main Offices: Hyde Park, BOSTON, MASS., CHICAGO, ILL., 410 Michigan Ave. SAN FRANCISCO, CAL., 681 Market Street, *Branch Offices in Principal Cities*

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When writing to B. F. Sturtevant Company *please mention Nation's Business*

lars. The business went to third class, but there is no way of telling how much of it went there.

Why not get the increased revenue from the fourth class—parcel post? The Postmaster General may revise rates on the classification with the consent of the Interstate Commerce Commission, and the Postmaster General has asked permission to make a revision. In the nearby zones and on small packages these rates are exceedingly low as compared with express rates. It is possible that revenues in this field may be increased from six to eight million dollars.

Small deficit in third-class

THIRD-CLASS rates remain for consideration. This is a small classification —it contributes only $18,806,911.23 to the Department's deficit. By an act of May 29, 1928, third-class rates were revised downward and the loss in revenue for 1929 was nearly five million dollars.

When the rates were reduced it was pointed out that the third-class mail is a great originator of mail in other classifications. A circular is sent out by third-class mail, making an offer of goods. One or two letters in regard to the offer may be exchanged by first-class mail and the goods may be sent by fourth-class mail. But evidently the revision downward did not help a great deal in originating mail, for the purely postal deficit was nearly two million dollars more in 1930 than in 1929.

Books, including library books, seeds and bulbs, are sent by third-class mail and there is a chance in this classification for congressmen to extend a bit of service to the farmers. But about half of the third-class revenue is made up of circulars and other matter into which radio competition enters. It would seem there might be a reason for going slowly on that part of the third class that has radio competition.

Because of the menace of competition Mr. Brown sees no place where additional money may be obtained except in the class of mail he has designated for the rate increases.

Both Mr. Brown and Mr. Tilton, the third assistant, have emphasized the seriousness of the postal deficit when taken in connection with the receding revenues of the Federal Government.

Postal revenues also have been decreasing for the last few months. So, with the increases which are occurring in the expenditures for franked mail, penalty mail and special services, there may be a considerable increase in the postal deficit unless operating expenditures are revised.

STRUCTURAL STEEL CREATED THE SKYSCRAPER

STEEL GIVES FREEDOM TO DESIGN

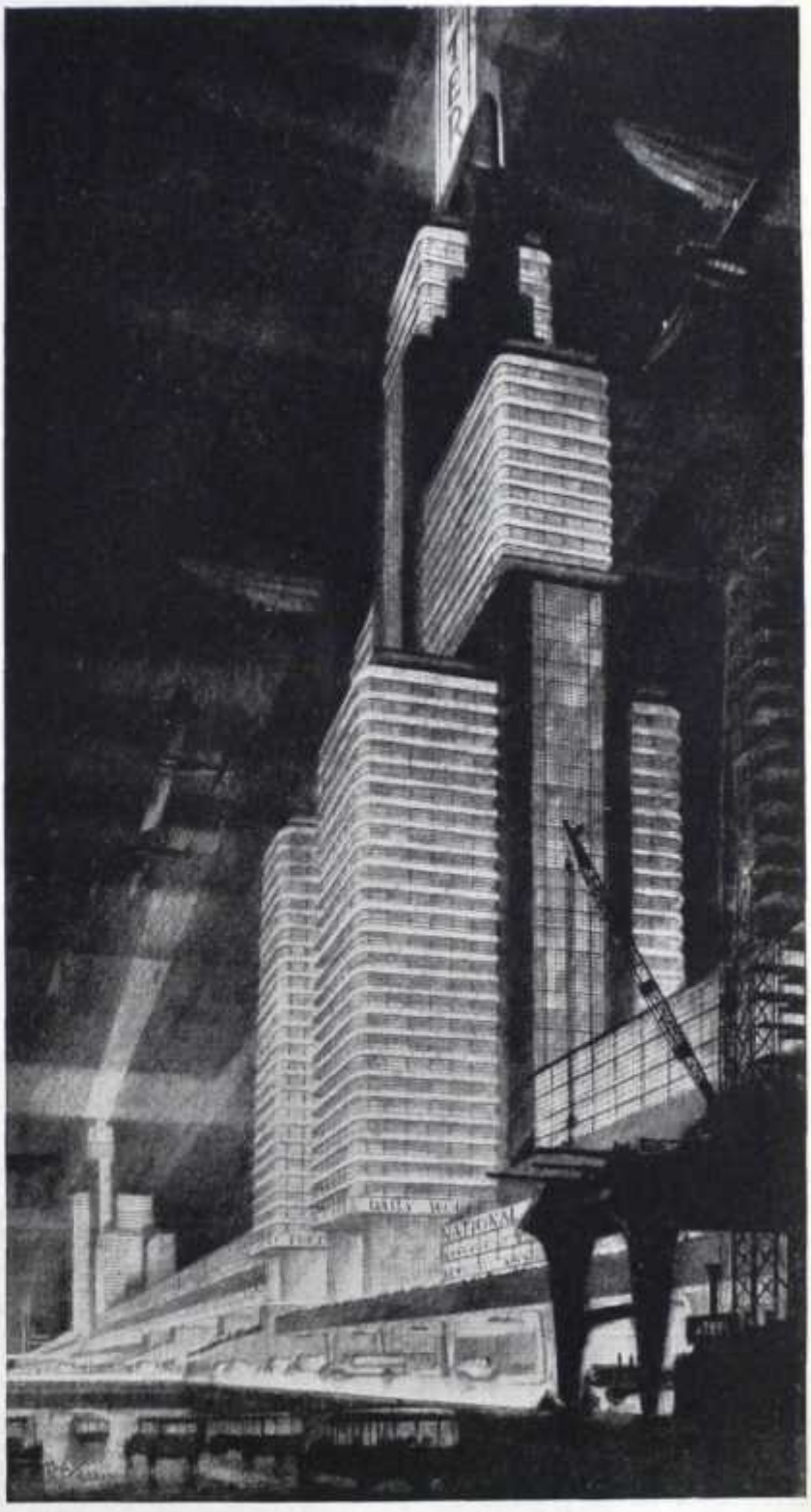
•

Out of steel's great strength and versatility have come the most amazing structures the world has ever seen. Tradition has had but little influence on them. They are inspiring in their architectural freshness, appropriate to their purposes, efficient to a remarkable degree.

Now, the Age of Steel enters its most interesting phase. . . . The proved principles of skyscraper construction are being applied to dwellings, small apartment and mercantile houses, small factories and schools. They are being built with steel!

Many plants are in large-scale production of the smaller steel shapes. With them you can secure great variety in design, new economy in construction, absolute security and permanence. Use steel for buildings and bridges of every kind—large or small.

Before building anything, find out what steel can do for you. The Institute serves as a clearing house for technical and economic information on steel construction, and offers full and free co-operation in the use of such data to architects, engineers and all others interested.



"STEEL CONSTRUCTION FOR WALLS OF GLASS." AN ENLARGEMENT OF THIS DESIGN BY HUGH FERRISS, ON SPECIAL STOCK FOR FRAMING, WILL BE MAILED WITHOUT CHARGE TO ANY ARCHITECT, ENGINEER OR BUSINESS EXECUTIVE.

The co-operative non-profit service organization of the structural steel industry of North America. Through its extensive test and research program, the Institute aims to establish the full facts regarding steel in relation to every type of construction. The Institute's many publications, covering every phase of steel construction, are available on request. Please address all inquiries to 200 Madison Avenue, New York City.—In Canada, to 710 Bank of Hamilton Bldg., Toronto, Ontario. District offices in New York, Worcester, Philadelphia, Birmingham, Cleveland, Chicago, Milwaukee, St. Louis, Topeka, Dallas, San Francisco and Toronto.

AMERICAN INSTITUTE OF STEEL CONSTRUCTION

STEEL INSURES STRENGTH AND SECURITY

Analyze *Your* Business

THE FUTURE of Business depends on the soundness and the rightness of the individual organization *now*. A complete analysis of your business is most desirable—an expert study, *in detail*, of all operations in all departments, quite like a physician's examination and diagnosis to guard your health.

Analysis *proves* whether the business is sick or well; determines any weakness, making possible the prompt application of the proper remedy.

Safe and steady progress, unrestrained by doubt or fear, is assured only when the enterprise is in a condition of *proven* health—when the management has a clear consciousness of strength, with the safe confidence and sane courage inspired by facts.

Good Management considers Modern Accountancy as the experienced diagnostician of business, because it analyzes and interprets conditions—and helps to lay the safe and sane foundation for the future health of business.

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BOSTON	DETROIT	KANSAS CITY	PORTLAND, ME.	TULSA
BUFFALO	ERIE	LOS ANGELES	PROVIDENCE	WACO
CANTON	FORT WAYNE	LOUISVILLE	READING	WASHINGTON
CHICAGO	FORT WORTH	MEMPHIS	RICHMOND	WHEELING
CINCINNATI	GRAND RAPIDS	MIAMI	ROCHESTER	WILMINGTON, DEL.
CLEVELAND	HARTFORD	MILWAUKEE	ST. LOUIS	WINSTON-SALEM
COLUMBUS	HUNTINGTON, W. VA.	MINNEAPOLIS	ST. PAUL	YOUNGSTOWN
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Make your personal writing distinctively black and beautiful—Protect your business writing and records against the obliterating effects of age, air, heat, sunshine and chemicals with

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For Steel Pens & Fountain Pens

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Your opportunity can never be bigger than your preparation. Prepare now and reap the rewards in earlier and larger success. *Free 64-Page Books Tell How.* Write *now* for book you want, or mail coupon with your name and address in margin *today.*

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O Banking and Finance	O C. P. A. Coaching
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O Rail. Station Mgm't	O Commercial Spanish
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O Paper Salesmanship	

LASALLE EXTENSION UNIVERSITY
Dept. 3374-R Chicago

★A COMPLETE INDEX of Nation's Business for 1930 will be supplied upon request. Write Nation's Business, Washington, D. C.

Arctic Air Mail

CANADA'S longest air-mail route operates between McMurray, 300 miles north of Edmonton, and Aklavik, at the mouth of the Mackenzie River on the Arctic Ocean. A year old, this route is one of the heaviest carriers of air mail in Canada.

For many years those people who inhabit the outposts of civilization along the Mackenzie River and its tributaries have received their mail by dog team in winter, with one or two boat mails during the summer. That mail was picturesque, but unsatisfactory.

The coming of the airplane has made possible travel in the Arctic and sub-Arctic regions of the Dominion. It has brought into that country financiers and large mining operators. The airplane has been extensively used the past few years in surveying from a geological point the vast Northwest Territories. Mining exploratory companies with large fleets of planes have shown the necessity and feasibility of an air-mail service into the region so that those who live there may be kept in closer touch with civilization.

A rapidly growing country

THERE are fur traders, police, missionaries, prospectors, geologists, fishermen and many other callings represented in that region. In fact there are enough people in that country to account for an air mail poundage of more than 14 tons during the first half of 1930. And the country is becoming more and more populated as each year goes by.

The Arctic air-mail route is probably the most dangerous route on the continent. It leads for 1800 miles through a country where settlements are many miles apart.

Schedules give a weekly mail service to all posts as far as Resolution on Great Slave Lake, a monthly service to Fort Simpson at the junction of the Mackenzie and the Liard Rivers, and a bimonthly service to the rest of the posts to Aklavik and Herschel Island just beyond in the Arctic Ocean. The rates for the service are exactly the same as for regular first-class mail—two cents an ounce.

The mail route is one that has possibilities of becoming a well paying run, for in addition to the 800 pounds of mail carried by post-office contract, the operator can carry passengers or express.—JAMES MONTAGNES.

AN OLD DEVICE . . .



. *with new usefulness*

THE MOVABLE CRANE is one of man's oldest devices but it has never ceased to take on new usefulness. ▲▲ Every day some new use is found for the application of movable cranes. Every day Thew Lorain cranes show new and cheaper ways of doing old jobs. ▲▲ Cranes on Center Drive Crawlers, cranes mounted on car wheels, cranes on motor truck mounting, hook and block that erect steel, clamshells that dig ditches, or load and unload cars, specialized buckets for handling pulp wood, draglines working on flood control, all of them contributing to economical handling of materials. ▲▲ In times like these when costs must be brought down, Thew is proud of its contribution to industry . . . Center Drive efficieney in Thew Lorain crawler cranes and locomotive cranes, and the quick mobility of Universal truck cranes.

THE THEW SHOVEL COMPANY · LORAIN, OHIO

THEW · LORAIN

POWER SHOVELS ½ YARD TO 1½ YARD · CRANES 5 TO 20 TON · CRAWLER CRANES
LOCOMOTIVE CRANES · UNIVERSAL MOTOR TRUCK MOUNTED CRANES

When writing to THE THEW SHOVEL COMPANY *please mention Nation's Business*

TOPICS FROM THE BUSINESS PRESS

By PAUL H. HAYWARD

SHARPLY criticizing "the pettifogging lawyer" and "the legal profession at large for the absurdities they have permitted themselves to be led into in the course of the centuries," *Paint Oil and Chemical Review* applauds a recent cartoon by John T. McCutcheon. "A house is burning down," the editorial says in describing the drawing,

and the inhabitants are struggling for safety and screaming for help while a crowd of lawyers stand 'round and talk:

"First," says one of the lawyers, "we've got to prove that there is a fire, and that it is this fire." "The plaintiff's appeal is not in proper form. It would never be sustained by the higher courts," observes another. "In her appeal she doesn't give the number of her house or what ward it's in—most irregular!" is the criticism of a third. A fourth is drawing up a legal notice to the fire department, stating—with ample "whereases"—that "there has been caused to exist, from causes unknown to appellant, a fire or conflagration—"

This sort of thing has been going on for generations—Shakespeare chronicles the absurdities of the law's delays and the cartoonist has not been compelled to exaggerate. We wonder how many of the legal profession, even among the leaders, realize the resentment and bitterness which the mummery of the law occasions in the minds of the general public. . . .

The real purposes of the law, determining right and fairness, respect for person and property, punishment for wrong doing and protection for the innocent, are all subordinated to the folly of a mass of useless routine. Other nations than our own, notably France and England, have inaugurated reforms which make our antiquated methods seem ridiculous and inexcusably out of date.

If the lawyers will not mend their ways, it is time the people took the case in hand.



• What One Roadhog Did

THIS incident, related in a folder issued by the motor-truck committee of the National Automobile Chamber of Commerce, preaches its own moral not only to operators of motor-truck fleets, but to other business men in their incidental contacts with the public:

Recently on the outskirts of St. Louis a motorist met a big truck-and-trailer train, the driver of which kept heedlessly or belligerently to the center of the pavement. There was just one thing to do—the motorist turned off into a ditch, escaping with no more serious injury than that to his dignity, as the truck continued its way, with the driver doubtless grinning to himself, confident, because of past experience, that nothing would come of it. Probably nothing *would* have come of it, if the motorist had been "just another motorist."

But he was Henry S. Caulfield, governor of Missouri, and something did come of it—that driver is not driving that truck on Missouri roads now, and neither is any other driver driving it.

Governor Caulfield, filled with righteous indignation, started the legal "wheels grinding," and a state law was dug up, prohibiting such trucks from operating anywhere in Missouri.

Across the state line, in Kansas, a county prosecutor—he just happened to be a large railroad's local counsel—heard the news and started a similar campaign in his own state, with comparable success.



• A Revolution in Cotton?

IT is possible that the South is on the threshold of vital changes in cotton growing and handling, reports *Manufacturers Record*. "We have seen the progress made in the development of the rayon industry," the editorial explains,

based on utilization of cellulose in the manufacture of synthetic yarn for textile production. . . . Wood pulp now supplies most of this cellulose raw material, but the chemists have learned that cotton has the highest cellulose content of any product. While cotton linters are used to some extent for cellulose production, the cost has been too great to permit the use for this purpose of lint as grown under methods which have prevailed for centuries. . . .

Now comes the announcement of the results of a significant experiment to determine the commercial feasibility of growing cotton for its cellulose content rather than for its lint value. The report covers the results of a field demonstration on a North Carolina cotton plantation which may bring radical changes in cotton-growing methods with far-reaching effects on the whole Southern cotton industry.

Should the North Carolina experiment ultimately prove as successful as the preliminary investigation would indicate, there is opened up a field for conjecture as to how this development will affect the cotton grower, the tenant farmer and the army of cotton field laborers now employed to produce the crop. Under the new method, cotton would be grown and harvested in a manner similar to the method used to harvest wheat or hay, utilizing every part of the cotton plant except the roots. The work would be done chiefly by machinery, thus releasing much of the labor now required for cotton cultivation and picking. Commercial success of the plan would depend on the cotton farmer's ability to grow the greatest tonnage per acre at the lowest cost for planting, mowing and baling. There would be no expensive seed bed to prepare, no expensive cultivating, chopping and handpicking.

The experiment so far is said to show that cotton can be produced at one-twentieth the cost of the present method of growing cotton for its lint value. . . .



• On Business Reading

"THE man who can't find time to read business and trade papers should make time," *The Ice Cream Review* pointedly declares, adding,

He should remember that the printing press is keeping abreast of progress and if he doesn't keep in touch with what the printing press is doing he is not keeping up with the march of progress.

True, he can keep his business going without ever looking within the covers of a trade magazine, but he is denying himself many opportunities to develop his mind.

The man who says he hasn't time to keep informed about what is going on in his industry either thinks he knows all there is worth while or does not appreciate the value of keeping abreast of the times.



THE BACON OR THE SHADOW?

The dog thought his reflection in the water was another dog also carrying bacon. Snapping at the shadow of the meat — he lost his own bacon.

TODAY EVERY ADVERTISER NEEDS TO BRING HOME THE BACON

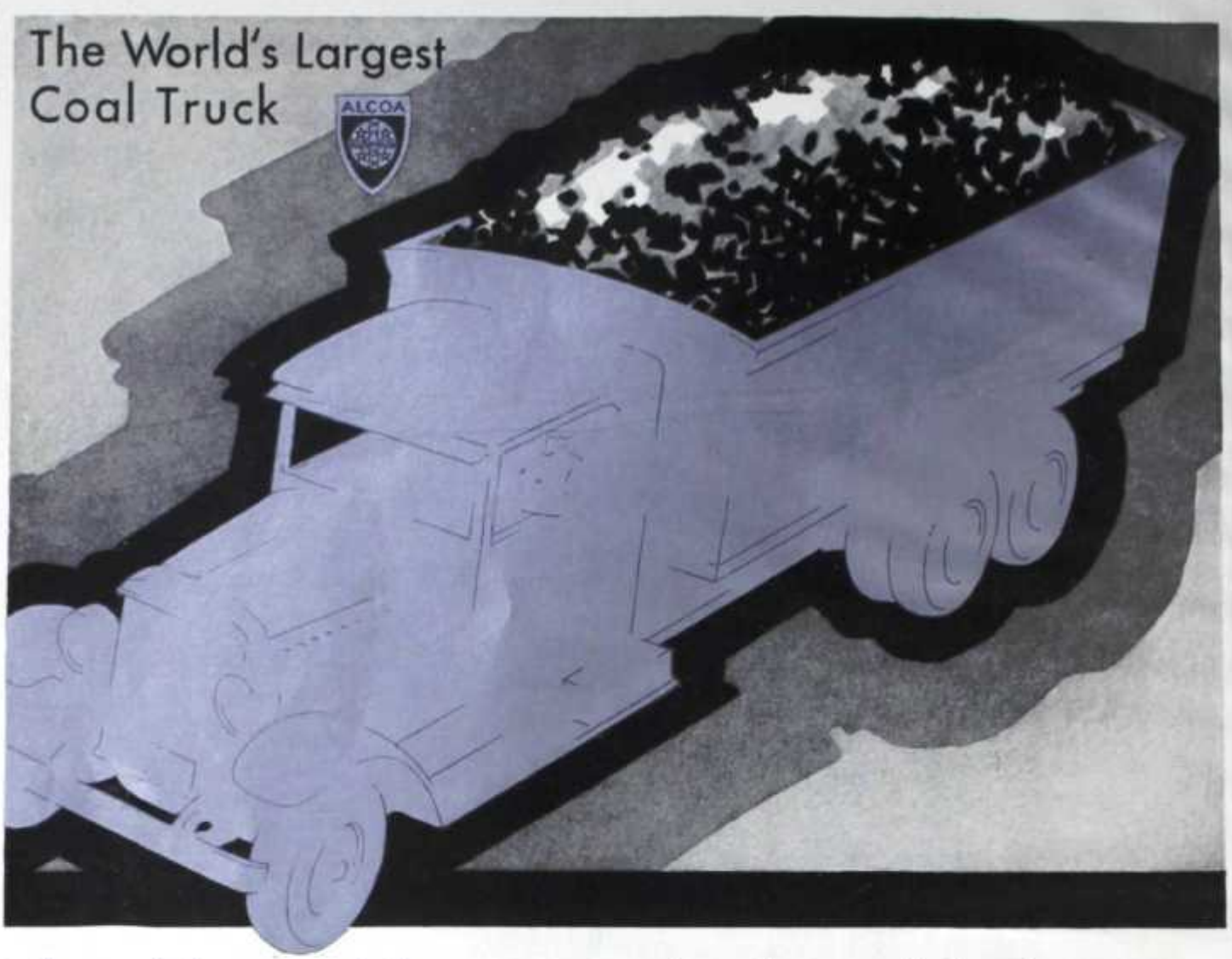
Have you had a booklet that didn't pull? A broadside that died with scarcely an echo? Many, many times the cause for disappointment is PRICE — shopping for "just as good" art work, plates, printing, paper and ink . . . PRICE IS A SHADOW . . . Grasping at the shadow often loses the bacon . . . We sympathize with the advertiser who needs to bring home the bacon—with the printer who is determined to help him do it. It pays to choose a thinking printer. Then give him a chance to put thought into the job . . . It's the thought, research, and experience behind I. P. I. inks that make them effective in the hands of the thinking printer . . . Today, advertisers need to bring home the bacon. Give your printer — and I. P. I. inks — a fair chance to deliver bacon, not just a shadow!

ipi

THE INTERNATIONAL PRINTING INK CORPORATION

75 Varick Street, New York · 26 branches in principal cities

When writing to The International Printing Ink Corporation *please mention Nation's Business*



The Alcoa Aluminum Body Added a Ton to Pay-Load



Body in hoisted position showing Alcoa Aluminum alloy longitudinal and cross members.



Construction on inside of body.

40,000 pounds was the legal gross weight limit for a truck. The law did not specify what proportion should be pay-load.

So, this Rhode Island company (name on request) used an Alcoa Aluminum body in building the world's largest coal truck.

This huge truck hauls 2,025 lbs. more coal every trip. On an average eight-hour schedule, it has the capacity to earn six dollars extra every day; in 300 working days, $1800.

This body cost $533 more than a body made of heavier structural metals. But this additional investment is the source of extra earnings—provides an annual return of 337%.

This weight reduction was practical only through the use of the light, strong alloys of Alcoa Aluminum, which are equivalent to structural steel in strength, but weigh only one-third as much.

Like savings are recorded in other kinds of trucking. A milk company reduces dead load, adds to body capacity; a tire company decreases hauling costs; a bakery raises its tire mileage from 8,000 to 15,000; an ice company hauls 17,550 pounds more ice every trip with its fleet of twenty-seven delivery trucks.

Structural shapes and sheets of the strong alloys of Alcoa Aluminum, standard material for fabricating truck bodies, are carried in stock. Plates, rivets, bolts and screws are also available.

Write for the booklet, "Alcoa Aluminum for Truck Bodies." It contains engineering drawings and data for building various types of bodies. It also has performance and weight-saving data on many Alcoa Aluminum alloy bodies now in use. ALUMINUM COMPANY of AMERICA; 2425 Oliver Building, PITTSBURGH, PENNSYLVANIA.

ALCOA ALUMINUM

6000 Years of Business Experience

By WILLARD L. HAMMER

Of the staff of NATION'S BUSINESS



Howard J. Harvey

A GROUP of business veterans whose enterprises total some 6000 years—all in the same city, working for their common good and that of their city—can undoubtedly do much for stability and prosperity. The seasoned Detroit Business Pioneers are helping both themselves and their city

ONLY business organizations which have continued in existence for 50 years or more are eligible for membership in the Detroit Business Pioneers, founded in 1929. It was formed "to promote better understanding and friendship among the business firms of Detroit that have been established a half century or more; to create the opportunity . . . for the mutual exchange of business views, opinions, and experiences; to promote a better public understanding and appreciation of the ethics and ideals governing business firms which have survived for 50 years; . . . to conduct and carry on publicity and advertising of pioneer companies, their products, merchandise or service, emphasizing integrity, reliability and stability in business as typified by the history of Detroit's pioneer business firms."

Honors employees

THE DETROIT Business Pioneers' further aims "to recognize, honor and encourage loyalty of 'veteran' employees; to honor business firms and individuals contributing a half-century of service to the community; to lend the influence of this association, composed of firms whose prestige, experience, and collective worth in the community are unchallenged, to civic movements designed to preserve the traditions, ideals and monuments of old Detroit; and to take such other action or to conduct such other activities as may contribute to the continued progress and benefit of the city of Detroit and the pioneer business firms of the city."

The organization was formed after Howard J. Harvey, vice president of A. Harvey's Sons' Manufacturing Company, had sent out letters to the firms of Detroit that had passed their half-century mark. Sixty firms replied to the first letter and the organization was formed in September, 1929. In December, directors were chosen and Mr. Harvey was elected president; Charles F. Backus of the Richmond-Backus Company, vice president; and E. E. Prine of the Detroit Board of Commerce, secretary. Philip Breitmeyer, Wm. R. Carnegie, Berrien C. Eaton, Jay Grinnell, R. B. King, Charles W. Kotcher, Harry G. Uridge, and James Vernor were elected directors. At this meeting the membership voted to become a unit of the Detroit Board of Commerce.

111 years old

AT present 90 firms are members, of which 38 are manufacturers, 14 wholesalers, 19 retailers, and 19 miscellaneous businesses. The oldest firm represented is the Michigan Drug Company, founded in 1819. Next is George Jerome, 1828; the Detroit Free Press, 1831; and the Eaton Clark Company, established in 1838. The Seely Manufacturing Company, and the L. Black Company represented by their presidents, Mrs. Thorne D. Smith and Mrs. M. Black, hold the distinction of having the only women representatives in the association.

Obviously, no automobile firm is represented.

Though the firms represent in the aggregate 6,000 years of business experience, there is no thought of making the association more grandiloquent than its slogans: "Old in Service—Young in Spirit," "Preserving the Traditions of Old Detroit," and "Promoting the Development of New Detroit."

The first of those three slogans is emblazoned on the insignia of the organization. Incidentally, the members of the Business Pioneers are increasingly putting the insignia of the organization and the date of the founding of their own organization on their letterheads. It is being used in this way as an indication of the strength of the company—the company having membership must be strong to have endured for 50 years, whereas the average business dies after about seven and a half years.

The association publishes a monthly

38 Places in your Business

ACCOUNTING DEPARTMENT
Notes, documents and valuable papers
Ledgers and final records
Cash Books
Journals and summary records

ACCOUNTS PAYABLE DEPT.
Cancelled Checks and Vouchers
Ledgers, Records and Documents
Debit Memos
Remittance Advices
Correspondence

ACCOUNTS RECEIVABLE DEPT.
Receipt and Ledgers
Recap, Proof and Trial Balance Records
Statements or Duplicate Accounts
Installments and Invoice Unit Ledgers

COLLECTION DEPARTMENT
Collection files
Time Payment controls
Promissory Notes

COST DEPARTMENT
General Cost Records
Analyses
Distribution records
Estimates
Rate Records

ENGINEERING DEPARTMENT
Tracings
Pattern and Patent records
Tool and Die records
Laboratory reports
Data files and correspondence

PAYROLL DEPARTMENT
Payroll records and analyses
Vouchers, checks, etc.

PRODUCTION DEPARTMENT
Estimates
Authorizations and reports
Production orders

PURCHASING DEPARTMENT
Samples and specifications
Contracts
Purchase orders
Quotations

SALES DEPARTMENT
Agreements and Claims
Departmental records
Analyses by Customer, Products, Territory and Salesman
Prospect Records

STOCK CONTROL DEPT.
Stock records, retail, wholesale, industrial
Inventory

ORDER DEPARTMENT
Orders (unshipped)
Order Register

CREDIT DEPARTMENT
Credit Applications
Credit reports
Correspondence

EXECUTIVE DEPARTMENT
Constitution and by-laws
Minutes
Contracts
Stockholders' records
Departmental reports
Dividend registers
Correspondence



When phoning or writing a REMINGTON

SAFE-CABINET *Equipment* *where can bring QUICK economies plus . . .* IMMEDIATE PROTECTION

"NATURALLY" . . . says many a business man . . . "I'd like to protect my vital records from fire. But can I afford it? It means buying new equipment that would increase my overhead every month that I *didn't* have a fire!"

And he's right . . . according to the common methods of protection. Records have to be locked in a vault every night. Taken out every morning. Routine interfered with. Everything slowed up.

For when the Remington Rand organization was formed, experts in record-protection joined forces with experts in accounting, filing and general business systems. They put their brains together. Put their products together. Ended duplication.

Safe-Cabinet Equipment doesn't wait for fire to justify its usefulness. It begins to save money the day you install it. By speeding operations. Saving labor and floor-space. Then . . . having paid for itself . . . continues to increase profits by cutting overhead. And all the time, your records are protected . . . *at the very place where they are used.*

On the page opposite is a partial list of places where Safe-Cabinet Equipment can perform its double duty . . . saving and protecting. Look it over. Then, on the coupon below, indicate the department or problem in which you are most interested. It will bring you practical suggestions . . . without obligation.

Remington Rand

BUSINESS SERVICE

Executive offices, Buffalo, New York. Sales offices in all leading cities.

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LIBRARY BUREAU *Filing Systems and Indexing Service*
REMINGTON *Typewriters and Accounting Machines*
DALTON *Adding and Bookkeeping Machines*
KALAMAZOO AND BAKER-VAWTER *Loose-Leaf Equipment*
RAND & KARDEX *Visible Records*
SAFE-CABINET *Record Protection Devices*
POWERS *Accounting Machines* . . . INDEX-VISIBLE

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REMINGTON RAND BUSINESS SERVICE, Buffalo, N. Y.
In the following department (or problem) show me how Safe-Cabinet Equipment can bring quick economies plus immediate protection:—

*Name*_____
*Title*_____
*Company*_____
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Rand office please mention Nation's Business



Shipping Costs Are Now Under The Spotlight

New ideas for savings in your shipping costs are worth investigating.

Especially when those ideas have been proved sound by such authorities as: Pittsburgh Plate Glass Co., Eastman Kodak, General Electric, Hercules Powder, C. & N. W. R. R. Colgate-Palmolive-Peet, Buick Motor, DuPont, Frigidaire, Durkee Famous Foods and Procter & Gamble.

This is but a partial list of prominent industrials—taken from the cream of American industries—who are using Hackney permanent steel containers for shipping all kinds of liquid and dry bulk materials.

Not only because Hackneys are more economical—but because they are sturdy and leak-proof in construction, attractive in appearance, and easy to handle, empty and clean.

Write for the catalog and complete details on the adaptability of Hackney steel barrels, drums and cylinders to your shipping problems.

The Line Is Complete

Hackney builds a complete line of—Seamless steel barrels with full removable heads or patented raised openings—Steel drums with full removable heads or patented raised openings—Two-piece barrels and drums—"Light Shippers"—Seamless steel cylinders—Special shapes.

PRESSED STEEL TANK COMPANY

1179 Continental Bank Bldg., Chicago
3777 Greenfield Avenue, Milwaukee, Wis.
1335 Vanderbilt Concourse Bldg., N. Y. City
487 Roosevelt Bldg., Los Angeles, Calif.

Hackney
MILWAUKEE

When writing to Pressed Steel Tank Company *please mention Nation's Business*

leaflet in the interest of "Preserving the Traditions of Old Detroit and Promoting the Development of New Detroit." Last June 3 the first annual banquet was held. At that time employees of member firms who had been with their companies for 20 years or more were honored with the presentation of a button evidencing a position on the Honor Roll.

Of the 90 firms now in the association, 54 have joined a group advertising campaign which will be extended over the next 12 months. The keynotes of the campaign are the uplift of general business and the promotion of greater prosperity. Their right to optimism is apparent when it is remembered that all of the Detroit Business Pioneers have experienced much greater business depressions than that of the past year—and that they all came through those depressions with flying colors.

★



Young Vanderbilt's Start

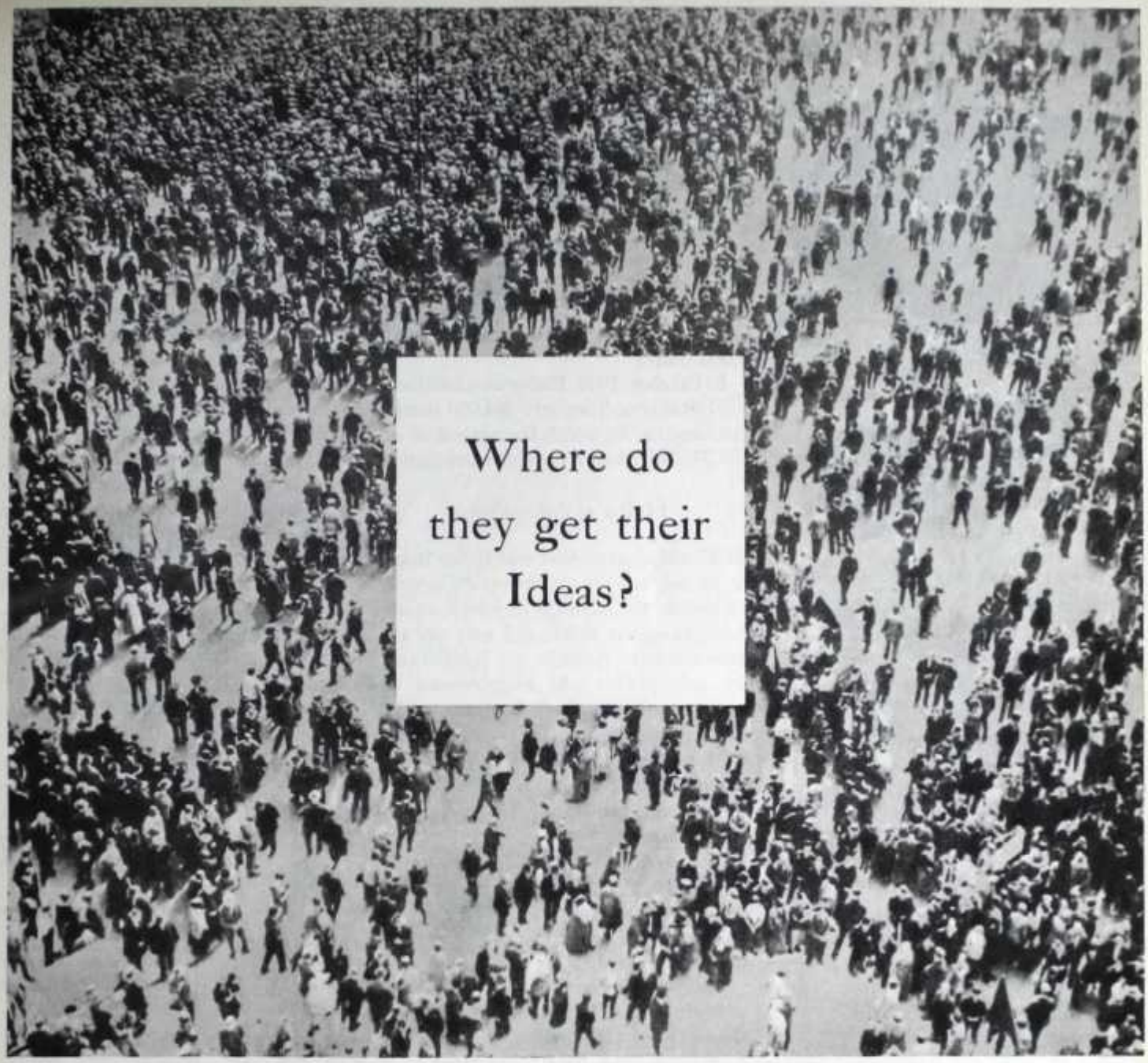
THE making of a railroad king:

William H. Vanderbilt, who was born in 1821, was a young bank clerk in New York at $1,000 a year when his health broke down. His father, the crusty old Commodore, sent him out to a 75-acre farm on Staten Island to get well and, incidentally, to lay up a few honest dollars as an agriculturist.

William H. prospered and, in a few years, expanded his farm to 350 acres. In 1858 the Commodore, who was turning from steamboat lines to railroad enterprises, completed the 13-mile Staten Island Railway. Two years later the property was bankrupt, and William H., as the most influential man on the Island, was made receiver for it.

By learning railroading from top to bottom, cutting down expenses and stimulating business, he soon had it on a paying basis; and from that achievement, he worked up to a seat among the great railroad builders of all time.

★



At first glance you see a crowd, a weaving mass of people. Look again. They are individual bodies governed by individual minds.

And every mind is swarming with ideas just as this open space is swarming with people. Ideas about what vegetables to cook for dinner tonight, what clothes to wear to the theatre, what roofing to put on the new house, what cigarettes to smoke, what flowers to plant . . .

Where do they get their ideas? From conversations with other people? And from observations of other people?

Suppose we assume that they do. Then where do those other people get the ideas? From the newspapers, morning, evening and Sunday? From the magazines? From the radio? From the talking pictures? From the car cards and posters that surround them? From other forces less tangible?

How can you profit most from the utilization of these tangible forces? And how can you set intangible forces in motion to influence their ideas in behalf of your product?

From seven cities in the United States and from the center of every large population area in every land, except Russia, Japan and China, where offices will be opened as soon as conditions warrant, the J. Walter Thompson Company is cooperating with a group of distinguished clients in seeking out the fundamentals that lie behind human motives in the purchase of things and services from day to day.

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A Balance Wheel of World Credit

(Continued from page 25)

of Sweden, Switzerland and Holland were invited to subscribe to the capital stock. Each subscribed for 4,000 shares. Subsequently, a similar invitation was issued to the central banks of Austria, Bulgaria, Czecho-Slovakia, Danzig, Denmark, Finland, Greece, Hungary, Poland and Roumania, and each subscribed for 4,000 shares.

In October, 1930, Esthonia subscribed for 100 shares. There are 164,000 shares outstanding, for which the equivalent of 102,562,500 Swiss francs have been paid.

Helps stabilization

YOU will observe how widely the stock is placed outside of countries having interest in the payment of interstate indebtedness, but which, if I may say so, were quick to perceive the possibilities for stabilization and improvement of trade and perhaps even for peace itself, offered by the Bank.

More than 35,000 shares are being withheld for offer to the central banks of other countries where the currencies meet the Bank's requirements of being on a gold or a gold exchange standard.

The central banks of Portugal and Yugoslavia have applied for shares and have been notified that we stand ready to assist them, and our services have been placed at the disposal of the central bank of Spain, with which we are in contact in connection with the peseta.



Basel is becoming a center for study of credit problems

In the improvement of the international flow of capital, which means better conditions affecting the whole business world, one element is a stabilized currency. If money is to circulate more freely, if business is to be done under more favorable conditions, then capital must have confidence in the possibility of safe return from one currency to another. I regard the Bank's stabilization work as one of its most important activities, possibly the most important.

The first funds received by the Bank were a remittance from S. Parker Gilbert, the retiring Agent General under the Dawes Plan. He turned over to the Bank the equivalent of about 45 million dollars. Subsequently, we received payments for stock and were in a position to function. The first activities of the Bank related to the functions contemplated for it by The Hague Agreement of January, 1930. The Bank announced that it would serve as the recipient of the German annuity payments, executed trust agreements with the various powers for the distribution of these payments, and declared itself ready to execute similar agreements relating to the payments to be made by Hungary, Bulgaria and Czecho-Slovakia. It received from the German Government a certificate of debt, specifying the annual amounts payable by Germany. In consequence, Germany is paying and the Bank is receiving, on the fifteenth of each month, one-twelfth of the annual installment, at present the equivalent of about $36,500,000.

These sums are received in such currencies as the Bank calls for. A substantial portion of each monthly installment is received in reichsmarks, which the Bank uses to finance deliveries of commodities exported from Germany to the nationals of various creditor powers. Sums received in foreign currencies are paid to the interested governments through their central banks, or, in some instances, redeposited with us.

As I have said, all of this is a routine operation. The reparations funds represented, on our last balance sheet, less than 20 per cent of our assets. Reparations due to the United States do not pass through the Bank at all, since the United States has a separate treaty with Germany which obviates that necessity.

U. S. has indirect interest

WHILE this country does not receive payments due through the Bank, it stands to reason, nevertheless, that the Bank, which, in the end, will receive and distribute approximately nine billions of dollars, some two-thirds of which will eventually go to the United States, must have considerable interest for Ameri-

How often have you done this?





FIRE plays no favorites. It is no respecter of persons or property. It burns whatever it can reach.

Yet, fire may be almost harmless when it starts—like the tiny flame on the match you're so apt to toss away.

Everywhere, the menacing finger of fire needs merely the encouragement of carelessness or accident to wreck a business *despite* fire insurance. The *uninsurable* losses are the staggering losses.

Your business *can* be protected against fire—by the proper types of extinguishers, ready to make every fire an incident in the day's work—for fires differ and *there is no universal* fire extinguisher.

Read the panel on the right. For safety's sake, act on it.

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cans. Germany has agreed to pay to the B. I. S., and to no other agency, the sums she has agreed to pay under the Young Plan.

America had a large hand in the origination and the organization of the Bank. J. P. Morgan helped Mr. Young to plan it, along with Thomas Lamont and others. An American banker, Jackson E. Reynolds, president of the First National Bank of New York, presided at Baden-Baden when the Bank statutes were drafted.

Subsequently I had the honor of being elected president of the Bank and chairman of the board, by a board which was composed of representatives from many central banks. Leon Fraser, also an American citizen, was made my alternate.

The other principal officers of the B. I. S., which has a staff of approximately 90 persons, and is housed in the former Hotel de Savoie at Univers in Basel, are Pierre Quesnay, a Frenchman, who is general manager; Dr. Hulse, a German, who is assistant general manager, and Signor Pilotti, an Italian, who is secretary general.

Structure of the Bank

IN structure, the Bank has three divisions—banking, relations with central banks and the secretariat-general. The banking division has two departments, one for operations in foreign exchange, and the other for the receipt of deposits and the making of investments.

This department, because of the widespread nature of its activities, has three sections. One deals with those markets in which the English language is employed. A second deals with markets using the German language, and the third with markets customarily using the French language.

The Division of Relations with Central Banks is directly under the general manager. It includes a department for maintaining contact with central banks, a department for centralizing information, for organizing research in monetary problems and for conducting the meetings of special committees, consisting of the representatives of central banks, who may be sent to Basel from time to time to study special problems such as the workings of the gold exchange standard.

The growth of the banking department has been rapid. May 31, 1930, the balance sheet showed assets of approximately 300 million Swiss francs. The statement of Oct. 31, 1930, showed assets of slightly less than 1,800,000,000 Swiss francs; or to put it approximately

in dollars, from $58,117,500 to $348,705,000.

Our deposits amount to about 300 million dollars. The monthly statements of the Bank are made in the Swiss gold franc.

Much curiosity has been displayed as to the geographical distribution of our funds, and as to the amounts held in various currencies, or moved from one currency to another. We do not consider it appropriate, however, to publish such details, one of the reasons being that a function of the Bank is to assist exchanges in times of anticipated stress or temporary need, and it would hardly be helpful to advertise a situation we were trying to correct, since this would necessitate disclosing the changing directions which our funds take. Similarly, we do not publish the interest rate we pay for deposits, lest this be mistaken as something in the nature of a world discount rate. We are, however, at present, allowing one average rate for all currencies on the gold or gold exchange standard.

Growing field of usefulness

IT is difficult to estimate the direction of the future growth of the Bank for International Settlements. One thing is, however, already clear. There is increasing interest in the Bank and its operations, as is evidenced by the number of visits from leading bankers and economists from all parts of the world. Basel is becoming an international center for the practical study and discussion of the world's monetary and credit problems.

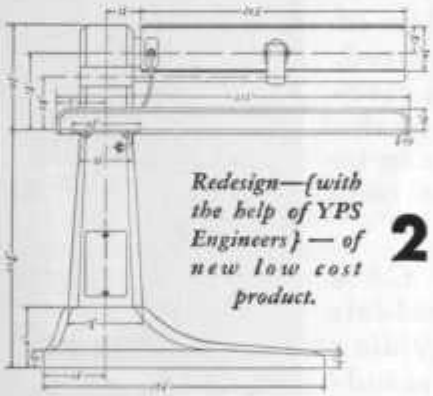
I believe that the field of the Bank's operations is broad and broadening, and will be developed, not merely for the sake of development, but because of the actual needs which should be met. Experience has already disclosed the fact that national banks of issue can make great use of an international bank which is nonpolitical in character and management.

In conclusion, I should like to strike a note of caution. This infant bank can perform no miracle which will cure the world, forthwith, of its economic ills. It is the direction we take that is important, not the speed we make. Patient experience will disclose the manner in which we can serve best. What the Bank may most usefully do lies in the future, but I firmly believe that it constitutes a starting point from which a vast deal may be done to stabilize the currencies of the world and thereby to foster and encourage industry, commerce and agriculture.

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May we do for you what we have done for many, many others? A survey costs you nothing. Does not obligate you in the slightest. Write for free booklet, "Adventures in Redesign"—it tells the story.

YPS

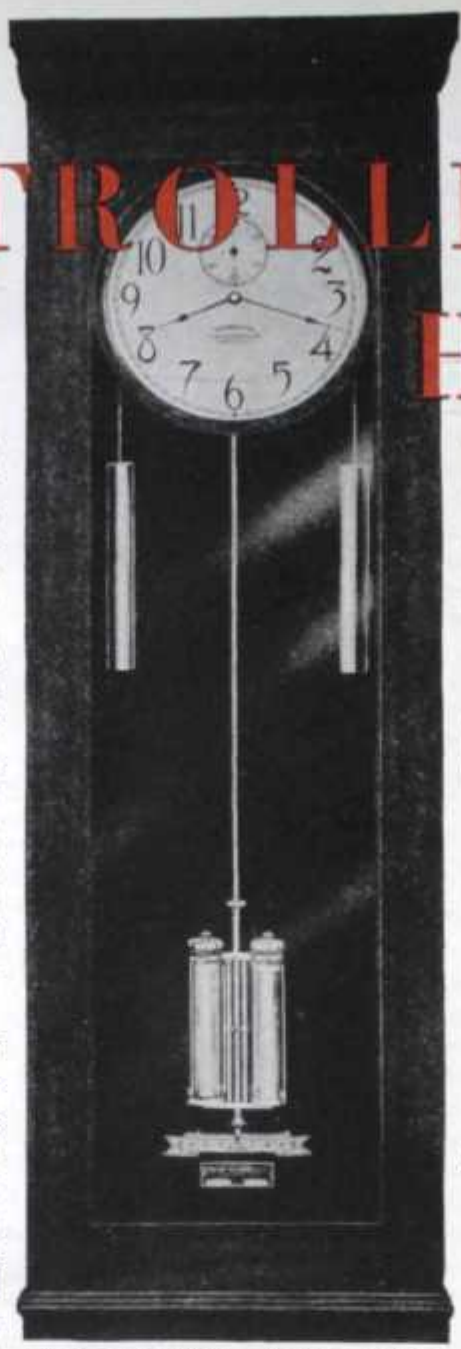
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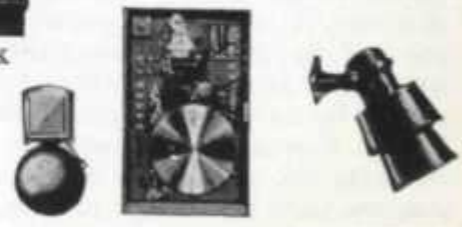
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A New "Miniature" Makes Its Bow

YOU may be surprised some day soon to see some rather unusual activity in the vacant storeroom you pass daily on your way to work. You may note with interest, as days go by, the swift institution of chairs, of a picture screen, of general theatrical accoutrements, and, finally, of a turnstile.

With the canopy erected, you will have verification of the rumor that a little motion-picture house is being introduced into the community. The new theater may, in fact, be a link in the chain of small theaters that, according to present plans, are to be built throughout the country.

Two of the theaters, with turnstiles which will permit entry for 25 cents and which will eliminate the need for doormen and ushers, are opening in New York City. One will seat 244 people and the other 186. Occupying two rooms at 49th Street and Broadway, these units will be the entering wedges of the Trans-Lux Movies Corporation into motion-picture exhibition. This company, newly organized, is jointly owned by Radio-Keith-Orpheum Corporation and Trans-Lux Daylight Picture Screen Corporation.

One-hour entertainments

A THIRD unit is planned in Madison Avenue and a fourth in Nassau Street. Of the Broadway houses, one will show feature pictures and the other news reels. Short, pithy entertainment, to consume not more than one hour, will be the aim, and it is hoped that large seat turnover will be attained through brevity of performance.

The element of turnover would be especially important in the case of the Nassau Street theater, which, if current indications materialize, will have an admission charge of only ten cents. Tapping, as it will, the crowded lower Broadway and Wall Street caverns, the Nassau Street unit certainly will not lack a profit source. Curiosity and an insatiable thirst for entertainment characterize the New York financial district crowds; they daily gather before specialty stores to hear radios, and convene every summer noon to hear sales talks on health books and rubber exercisers.

Make available a brisk miniature theater entertainment of around 15 minutes to those crowds and there is every reason to expect many dimes in the turnstile.

Although houses of the 15-minute type may appear in large cities, the neighborhoods, primarily, are the current targets. Units may be introduced in small towns that cannot now afford motion-picture houses.

These miniature units are expected to be operated for less than $500 a day in the expensive districts, in contrast to the $1,000 to $5,000 daily overhead of the elaborate houses of the leading exhibitors. Costs naturally will vary with the location and the size of daily audiences.

New projection system

TO THE person familiar with the operation of the average motion-picture house, questions may arise as to projection in such restricted space. It is true that the ordinary projection method could hardly be used; the new Trans-Lux daylight rear projection system, which will flash the picture from behind the screen, is the hinge of the undertaking. A form of this system has been used in brokerage houses to show stock ticker quotations. The process will enable theaters to be lighted to a considerable extent, another novel touch.

What are the obstacles the midget houses must surmount?

In the first place, they will be drawing in many cases from neighborhoods that have standard theaters. However, those who prefer the shorter performance will be drawn to the new auditoriums.

The little theater may find profit-making difficult. Since the original outlay will be small, however, it can easily move to more profitable districts.

Finally, many movie-goers do not like lighted interiors. Some are often tired and feel that they can relax in darkness. This angle, at any rate, remains to be tested; proof of majority sentiment against light may cause its elimination.

These points and many others are yet to be settled, but at any rate motion-picture exhibitors are watching with keen interest the beginnings of this revolutionary movement. Perhaps to miniature books, miniature money, miniature cars and miniature golf courses there is now to be added one of the "biggest" miniatures of them all—the miniature motion-picture theater.

—PETER B. B. ANDREWS

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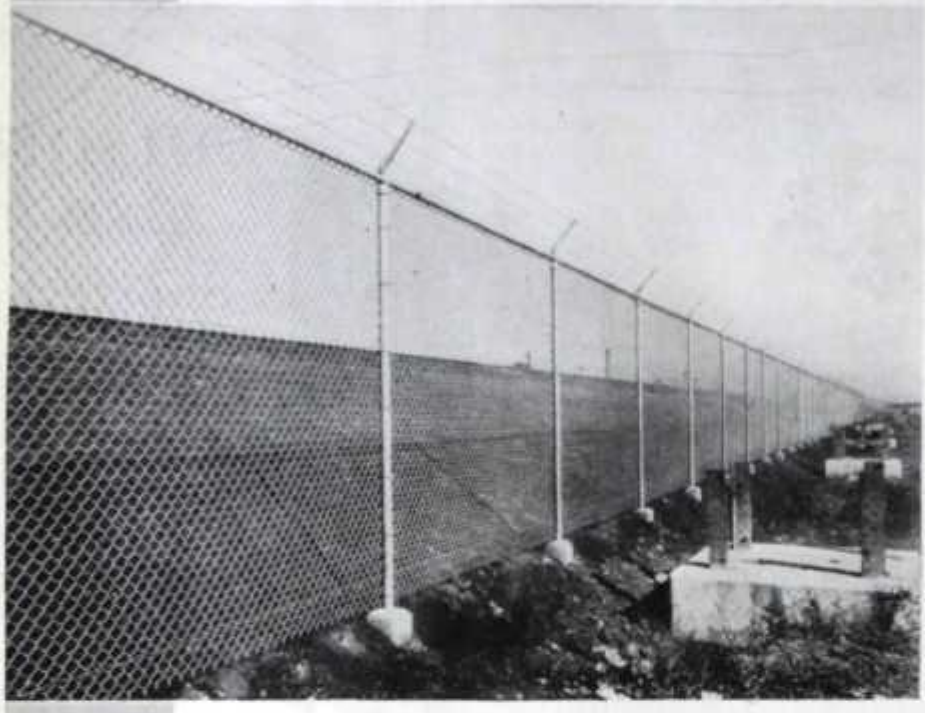
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On the Business Bookshelf

"THE MENACE of Overproduction" contains many authoritative spokesmen and presents overproduction from its many angles.

The editor of this symposium, however, suggests that income be substituted for profits as a motive for labor and investment. "The outside limit of the income return will be the same for all industries. This control over maximum earnings will enable the standard ratios of performance to be brought into alignment. It will prevent new capital-labor resources from being brought into use at a rate destructive of existing standards. The maximum income return will be fixed by the Government."

With the income limited investors will be compelled "to look to the extended use of the property employed, rather than to its immediate exploitation." Then in boom times there will not be built excess capacity that cannot earn its fair income for more than a year or so.

The catch in this plan seems to this reviewer that it tends toward government operation or at least excessive government regulation of every industry under the sun. The pages of history are full of failures of government in business.

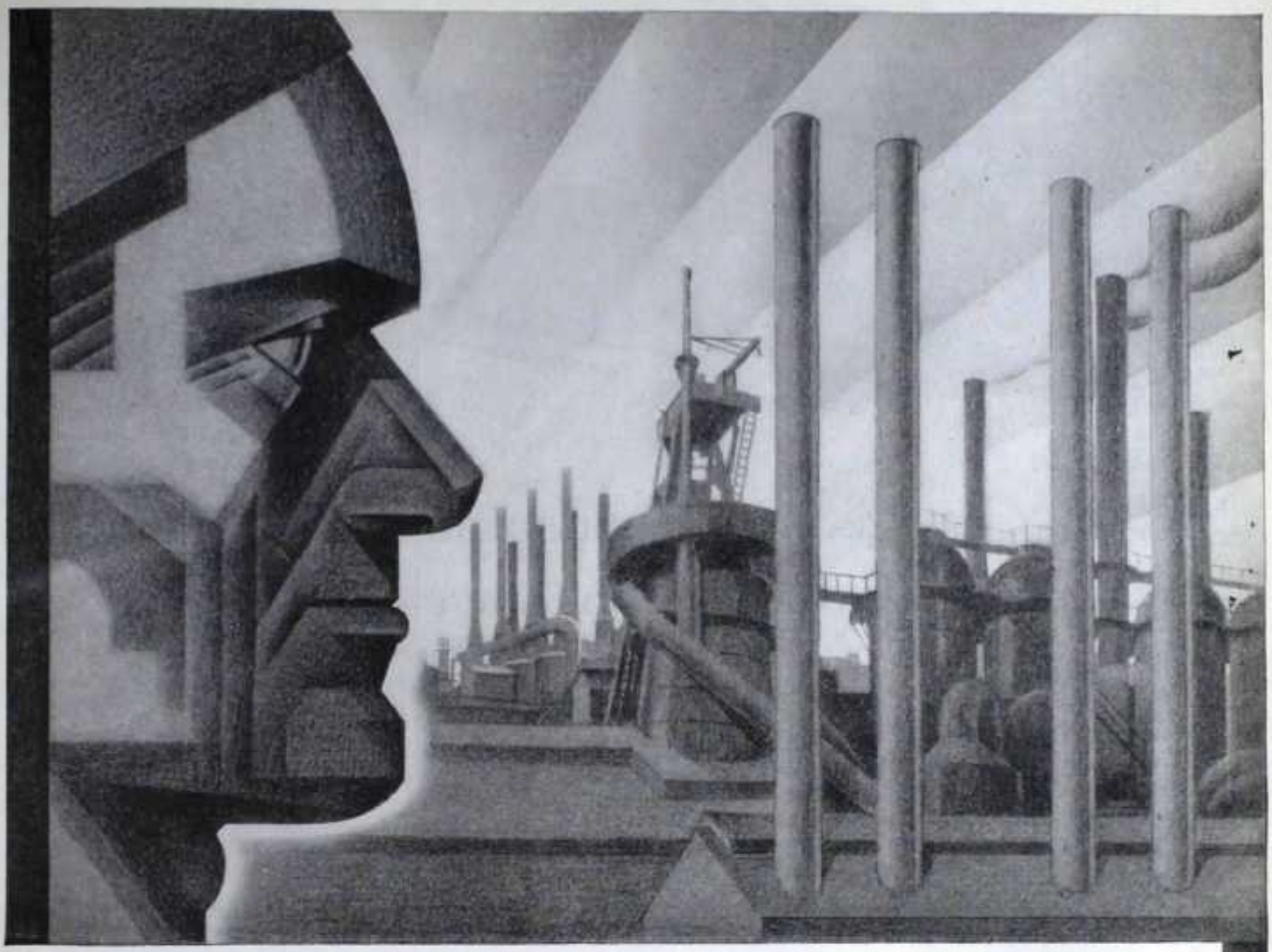
This plan would set income at a level presumed to be a just return on the money. The present plan of free competition sets the return on investments at a level which considers capital available, ability of management and all other economic factors.

•

UNEMPLOYMENT insurance of the type in force in Europe has never gained a foothold in the United States. At least 170,000 American wage-earners, however, are protected against unemployment by the reserve plans of corporations, trade unions, and joint cooperative agreements of groups of employers and trade unions. Prior to 1930, thirteen American corporations had adopted unemployment compensation plans.

The American experience with unemployment reserve funds commencing almost a century ago, but concentrated for the most part within the past 15

[1] **The Menace of Overproduction,** edited by Scoville Hamlin. John Wiley & Sons, Inc., New York.



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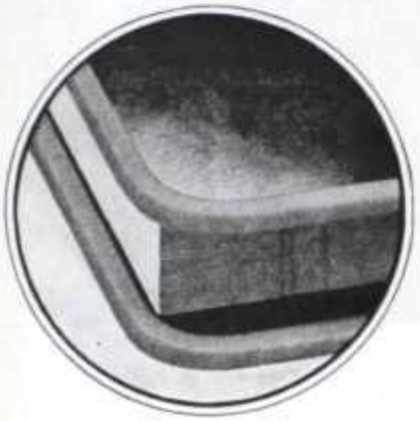
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It is furnished in natural brown walnut and olive green to harmonize with office fixtures. It is available in ledgers, post binders, ring binders, visible binders and machine bookkeeping binders.

The edges of National Stanite-bound records are finished either in rust-proof metal for extra strength (as in the large visible binder illustrated above) or in cemented rubber edging for office quiet (as in the post binder and ledger at left and right above and in the corner shown at the left).

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years, is recorded in comprehensive detail in "Unemployment Benefits in the United States."[1] This volume embodies the results of an extensive survey conducted by the Industrial Relations Counselors, Inc., a privately financed personnel research firm.

Interest in unemployment insurance has been intensified by public attention to current unemployment relief measures. The appearance of the report of the Industrial Relations counselors is indeed timely.

Legislative proposals providing for the creation of compulsory unemployment insurance systems have been constantly before state legislatures or the Federal Congress since 1916. None of these bills, however, has been enacted into law.

♦

UP TO date information on business and finance is constantly needed by business men. An excellent list and description of the many services that give this information is contained in the "Handbook of Commercial and Financial Services."[2]

♦

MR. GUPPY, director of the John Rylands Library in Manchester, England, and a leader in the library profession, has written an interesting essay on "The Art of Reading."[3]

Such topics as cultivating the art of reading, good literature, studying literature, and rapid reading are discussed simply and interestingly in his short essay.

♦

BUSINESS men have been puzzled by the many technical and varying estimates of the country's water-power resources. What of regulation, state and national? Why is not all our water-power developed, and burning of coal dispensed with?

The Chamber of Commerce of the United States, through a special committee consisting of 12 members active in the fields of finance, engineering, education, journalism, business, and agriculture, has published a book, "National Aspects of Water Power Develop-

[1] **Unemployment Benefits in the United States,** by Bryce M. Stewart. Industrial Relations Counselors, Inc., New York $7.00.

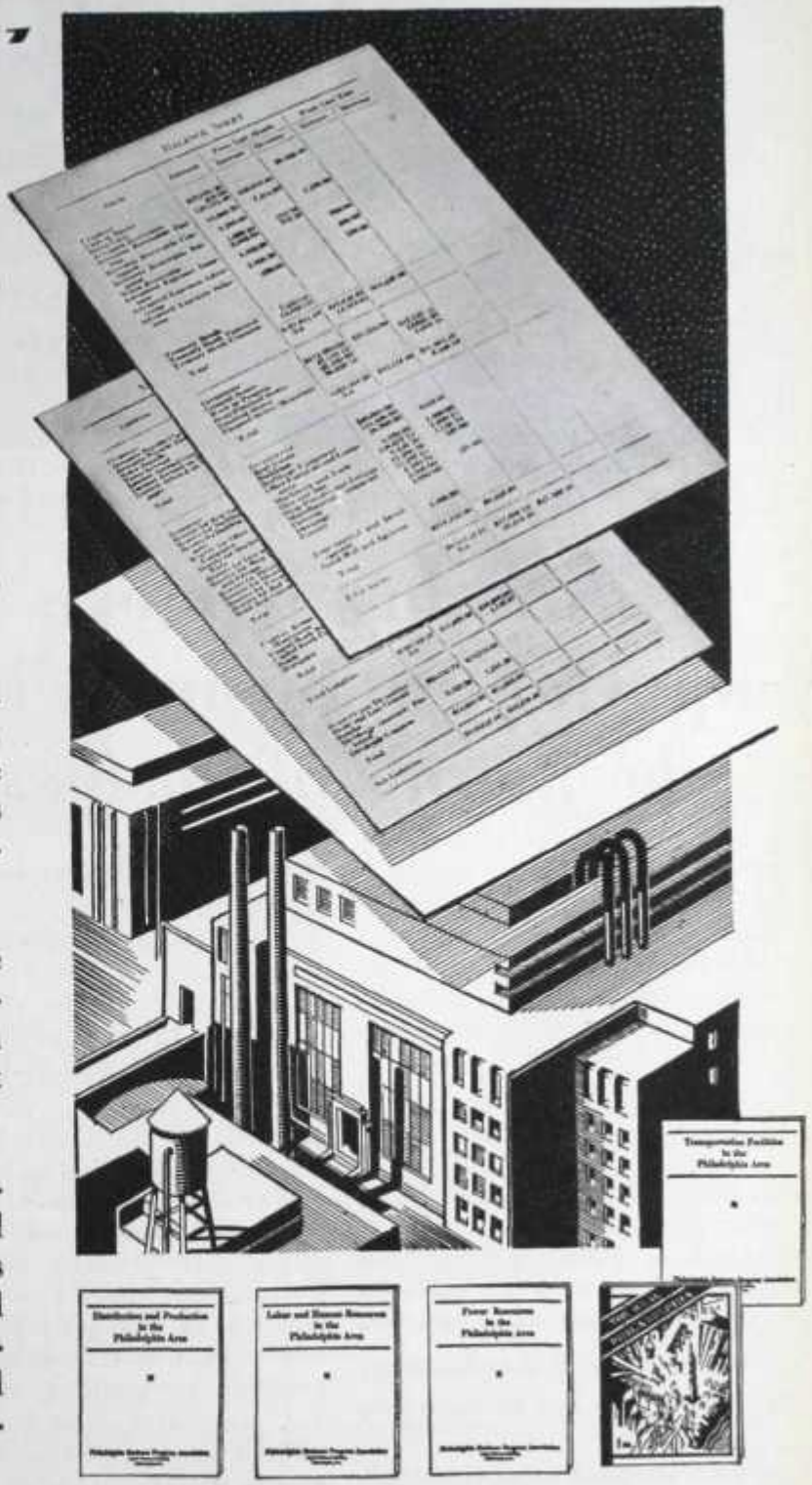
[2] **Handbook of Commercial and Financial Services.** Special Libraries Association, 11 Nisbet Street, Providence, R. I.

[3] **The Art of Reading,** by Henry Guppy. May and Company, Boston, $1.

Back of Balance Sheets - back of your whole Success - - -

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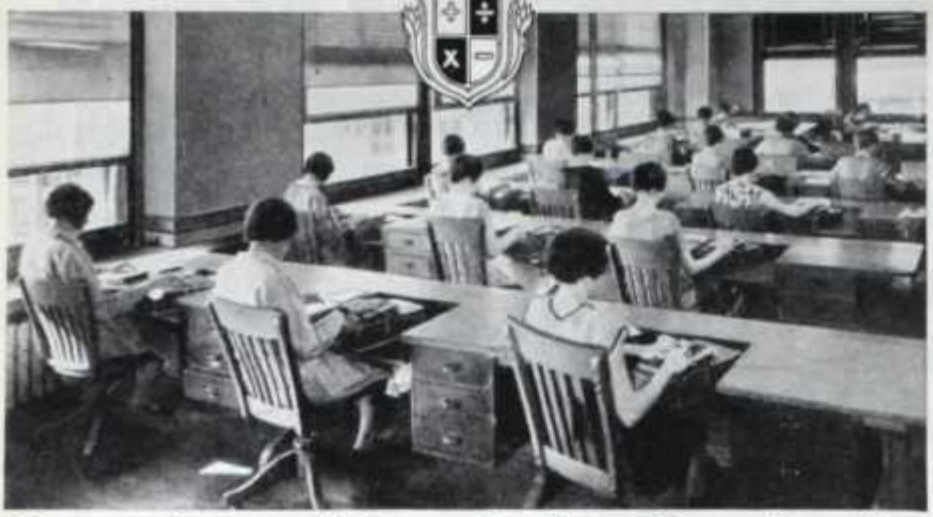
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TO those in executive control of business, the "figures of business" today have a broader and deeper significance than ever before—a significance reaching far beyond the simple routine figure records that formerly sufficed.

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ment,"[8] which explains without bias many of the problems surrounding the development of water-power resources.

Beginning with a discussion of the uses of water and their interrelation, attention is given to the basic data available and the various governmental agencies engaged in its compilation. The legal aspects of the water questions, with the growing conflict between federal and state supervision is discussed.

Regulation, rate structures, and the Federal Power Commission are explained. Boulder Dam and irrigation, Muscle Shoals as it relates to agriculture, national defense, and power policies receive more detailed discussion.

♦

ALTHOUGH entitled "Statistics for the Business Man,"[9] we would rather call Mr. Sutcliffe's book a simple explanation of charts that are and can be used by business. Statistics, to be sure, are necessary in the preparation of charts, but charts are so much simpler to understand that we think Mr. Sutcliffe has rightly devoted the greater part of his book to them.

His use of ratio charts in analyzing many business statistics is particularly interesting. His method is to give an explanation of the subject that can readily be mastered by the business man—without professional statisticians to do the work and then explain what it means.

[8] **National Aspects of Waterpower Development: A Review of the Facts,** by National Water Power Policies Committee. Natural Resources Production Department, Chamber of Commerce of the United States, Washington, $1.00.

[9] **Statistics for the Business Man,** by William G. Sutcliffe. Harper & Brothers Publishers, New York, $4.00.

Recent Books Received

Business Letters: Their Preparation and Use, by Henry A. Burd and Charles J. Miller. McGraw-Hill Book Company, Inc., New York, $4.

Fraud: Its Control through Accounts, by George E. Bennett. The Century Co., New York, $1.50.

Prosperity and Consumer Credit, by Julian Goldman. Harper & Brothers Publishers, New York, $3.

The German Reichsbank and Economic Germany, by Salomon Flink. Harper & Brothers Publishers, New York, $3.50.

Food Supply and Raw Materials in Japan, by E. F. Penrose. The University of Chicago Press, Chicago, $2.

Short Story Writing, by Blanche Colton Williams. American Library Association, Chicago. 35 cents. One of the "Reading with a Purpose" series.

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three luxurious new desks at prices attractively low

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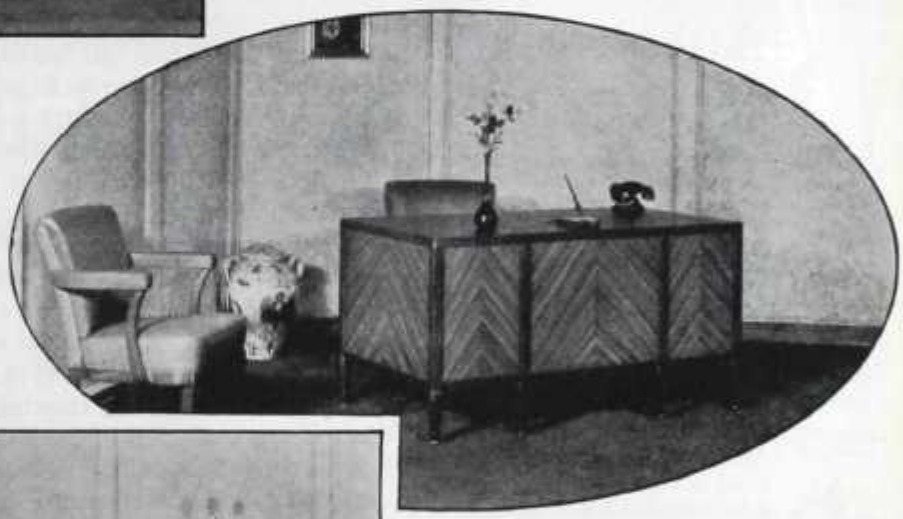
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"It's the Twisted Teeth that Lock"

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The Unit Bank Is Not Doomed

(Continued from page 50)

and it cannot be said that unit banks are not giving satisfactory service.

Frequently it has been asserted that in the United States the future form of banking will be determined wholly by economic factors, rather than in part by the views of those engaged in it. However, like many other beliefs which gain a measure of credence it has not been thought out clearly. It appears to be not susceptible of complete proof. While elements outside of banking obviously will play a large part in molding its form and its style of operation, really those within it are the most cogent agencies. Surely banking does bear the impress of those who conduct it, and it reflects, in a large measure, the character of the men who guide its destinies. The quality of management put into it is the real motivating force. Upon that, much of its success depends, and so long as men with the requisite training, the tried ability, and the community confidence are conducting our banks they can be relied upon to operate as successfully hereafter as in the past.

When one thinks of an independent bank he should not consider it as a single institution standing alone, supported wholly from within itself. He should not look upon it as set off and completely isolated from the rest of the banking world, denied the benefit of the experiences and the cooperation of other banks. Neither should he entertain the idea that the usefulness of the independent bank and its ability to serve its community are circumscribed by its own immediate resources. The exact contrary of all these notions is true.

Many sources of strength

THE unit bank embodies a capacity much broader than its own organization. Indirectly it shares in the resources and the strength of its city correspondent banks. Through its relations with them it may receive the benefits of their research, the advantages of the work of their securities departments, advice in matters outside its own territory, and funds to meet local demands. It draws power and serviceability through this correspondent plan. Also, its membership in the Federal Reserve system adds a real measure of stability and provides a source from which aid can be had when needed. Thus it is seen that these adjuncts to independent banking, augmenting greatly its inherent powers, create in it additional force and broader comprehension, and supply an elasticity which enables it to expand as the demands of its business require, and to offer a satisfactory service in competition with any and every other form of organization.

The independent banking system has in it no inherent weaknesses which seem likely to cause its destruction. It was founded upon the broad principle of sound and conservative assistance to its clients, and it has carried our country through numerous dangerous crises. It still is functioning in the same splendid manner, though it shares the field now with multiple bank organizations which have made remarkable progress. This rapid rise must be viewed as an evidence of a pretty sound foundation, and upon this banks are attempting now to coordinate their various forces and activities, and undoubtedly this process of harmonization will strengthen their positions and enable them to move forward with even greater confidence.

There's ample room for both

MULTIPLE banking, in the form of groups or branches, or both, is expected to be a substantial part of our system for many years. So long as it maintains the high standards it has set for itself it is likely to hold the enviable public favor it has developed. This cannot mean, though, that independent banking is to relinquish its equally enviable position and withdraw entirely from the service it has performed so long and so admirably. Rather there seems ample warrant for the conclusion that for a long time our system will be composed of both unit and multiple banks. They are expected to divide the responsibility and each strive to its utmost to discharge completely the share of financial obligations which may settle upon it.

That a considerable measure of the total obligations will continue to rest upon unit banks there is little doubt. Their independence can be maintained by adoption of the facilities available to them, and by vigorous exercise of the powers they possess. Diversification of loan risks, variety in investments, and maintenance of the established high standards of service will accomplish this. These, though, are prerequisites



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Department of Development

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MONTREAL, CANADA

for even this form of banking. Rich as it is in tradition it cannot survive if it lags in the march of progress. It must go forward, and with the proper character of management, which is the prime requisite in any form of banking, it will move onward indefinitely.

Were one to attempt to epitomize the various factors underlying the strength and consistent growth of American banking, he would point, among other things, to its individualism. It has characterized banking throughout, and its influence has been so genuinely wholesome as to repel the thought that it may not continue. Under this influence our system of unit banking was developed, and notwithstanding the measure of departure from it in the last few years its force has not been destroyed, its appeal has not failed, and the multiple organization movement has not assumed such proportions as to indicate abandonment of the independent banks.

Constantly in step with American progress, and contributing generously to its accomplishments, unit banking has marched forward proudly. Under its banner, initiative and perseverance received their greatest encouragement. Likewise, under it they attained their highest development. To it is attributable largely the splendid manner in which banking has been able to provide for each need as it has arisen. With its aid our business and industrial greatness was achieved, and in the difficult and trying times of ebbing prosperity, as well as in the periods of its fullness, the adequacy and the availability of this service attest the soundness of its structure and merit the confidence that it will not fail.



When the Phone was Young

WHEN Alexander Graham Bell and Theodore N. Vail were ambitious young men trying to transform Bell's "telephone plaything" into a going business concern, they were so hard up financially that now and then they drew straws to determine which one should borrow 50 cents from somebody for supper money.



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Anthracite Coal Has a New Grip on Life

(Continued from page 28)

consumer was shown that dissatisfaction was due to the condition of the heating plant. In 31 per cent it was due to incorrect firing. The remaining two per cent was poor fuel—but that was some years ago.

Now Edward W. Parker, director of the Anthracite Bureau of Information and probably the greatest living authority on the history of the hard-coal industry, supervises for the operators an inspection service which enables producers and retailers to guarantee their coal. Expert inspectors visit every colliery in the region, sometimes as frequently as twice a month and without advance notice. When coal is not up to standard in size or quality it is condemned and sent back to be cleaned or sized again.

Some of the operators—notably the Philadelphia and Reading Coal and Iron Company—have gone a step further. The Reading has placed its own inspection in charge of the sales department. At the point of loading control, the coal passes out of the hands of production. Nine samples are taken from every coal car while it is being loaded. Ash, size and purity tests are made in a modern laboratory before the car has reached the scales. If the coal is not up to standard it goes back.

Cleaning coal with water

VERY little goes back, however. The new Reading Colliery at Locust Summit uses a new cleaning process which is the reverse of methods used for recovery of gold and other precious metals. Instead of sinking to the bottom, coal is floated to the top of a swirling mixture of water and sand. Rock and similar heavy impurities sink and are drawn off at the bottoms of huge cones. The Locust Summit Colliery has a rated capacity of 12,500 tons a day and has turned out 15,000. It handles the product of five mines and a three-mile stripping operation, is of all-steel construction, glass-enclosed and steam-heated.

Only a bare outline of the production improvements can be given here but they are so far-reaching and they have been brought about so rapidly that most text books on anthracite mining have been put back into the history shelves. Through improvements in machinery and methods underground, for instance, recovery has been brought close to 70



MINAKI in CANADA'S pine-clad Lake-of-the-Woods region



Silver streams, sparkling lakes, fragrant forests and every form of summer sport

"MINAKI" is an Ojibway Indian word. It means "beautiful country"—for this wonderful Lake-of-the-Woods region cast the same spell on the Indian centuries ago that it casts on the white man today.

In the heart of this land of lakes and streams, Canadian National has built Minaki Lodge. Here is a golf course ringed by cool pine woods. Here are tennis, fishing, swimming, motor-boating, canoeing, aquaplaning . . . islands to visit and rivers to explore . . . Here at night are blazing fires, delightful dinners, gay dancing, charming companionship.

Send for booklets about this perfect North Woods vacation. Or ask any of the Canadian National offices listed below, to arrange for you *free* showings of Minaki and other Canadian films in your club or your church.

* * * *

Canadian National takes you everywhere in Canada. It operates 23,000 miles of railways, steamship lines, telegraph and express services and 14 broadcasting stations. Its hotels, camps and lodges stretch from one end of Canada to the other.



At Minaki swimming, boating, fishing tempt you to be on or in the water all day.



You can step from Minaki's broad veranda to this perfect course on the forest's edge.

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PORTLAND, ME., Grand Trunk Ry. Sta.
PORTLAND, ORE., 302 Tamhill St.
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Is any section of your business too small to merit better service—at lower cost?

IF past months have taught the business world any lessons of lasting value, it is that modern methods must be used to lower operating overhead. While checking now for greater economy, do not overlook your washroom facts. *Your towel bill may surprise you.* Long accepted as a "necessary evil", it is now an antiquated expense that helps to place a needless burden on profit.

Here is a better service with lower costs. Equip your washrooms with the "SF" SANI-DRI—the new-type electric drier—and eliminate one source of constantly recurring waste, the towels. This new SANI-DRI will cut your drying costs sharply—as much as 60% to 90%. It will give your employees a better, faster, more thorough dry that prevents chapping. It will eliminate towel litter, reduce fire hazards, lessen janitorial attention and cut down your washroom maintenance costs.

This new model is basically better in 12 vital features

Into the new "SF" Model SANI-DRI we have incorporated twelve vitally important new improvements that make it the outstanding drying service available today. If you would like to know about these betterments, mail coupon for our new booklet, "The Airway to Efficiency".



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CHICAGO HARDWARE FOUNDRY CO.
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per cent against a pre-war standard of about one-third of the coal in a seam.

Even without this increased recovery—which affects only capital investment and certain overhead items, and not the labor cost—the anthracite producers have found that high quality coal is cheaper to produce than the war standard product. Good machines, in other words, do better work than cheap ones, while they are far superior to the ancient handpicking method. This is particularly true in the smaller sizes, where breaker boys in the past were too expensive and too inefficient to be used. These sizes are now maintained at heating values equal to the larger sizes.

One big problem remains

VIRTUALLY all the problems of mining and manufacturing have been solved or at least solutions are in sight. The great remaining problem of the industry and of every individual operator is to hold present customers and find new ones. The Anthracite Coal Service is only one step in this direction.

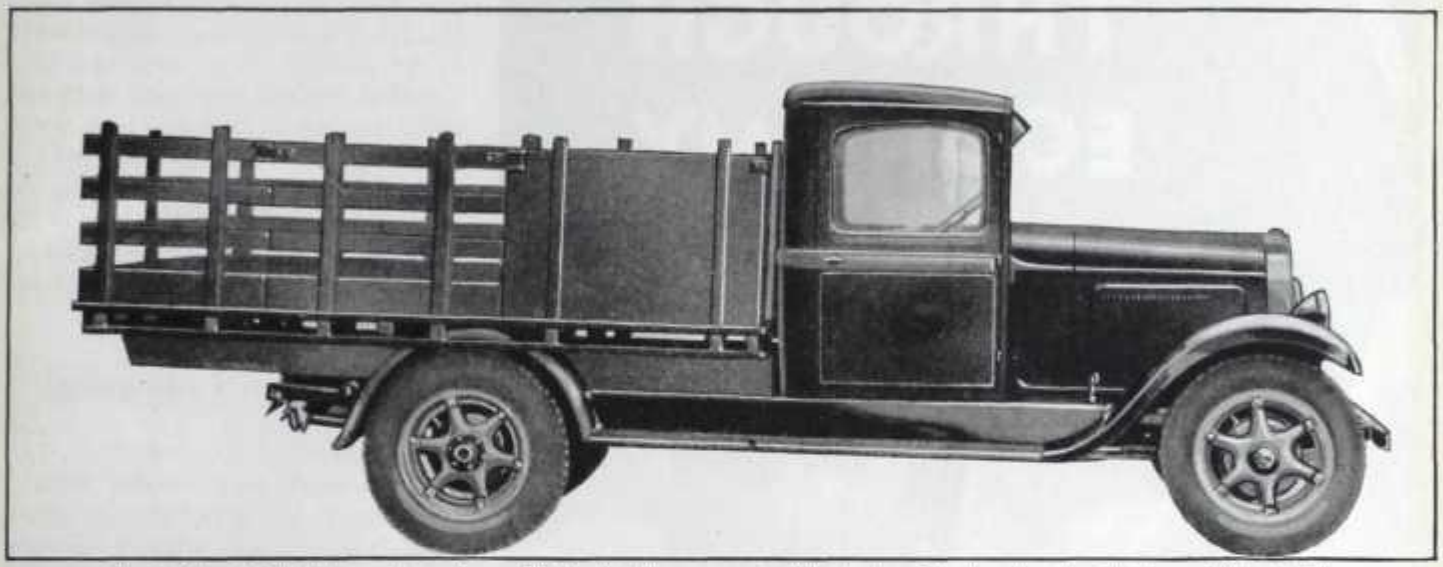
Another was the formation some years ago of the Anthracite Institute to coordinate cooperative activities already begun and to institute others. Having learned by a year of experiments in an outside laboratory that many competent engineers and scientists might be kept busy for the rest of their lives studying anthracite without hope of exhausting all the information, the Institute has now established its own laboratory. It is in a suburb of Philadelphia, and is directed by Allen J. Johnson.

The laboratory's first task was to study combustion and heat regulating methods, test the efficiency of various types of heaters now on the market and of new appliances for stoking, ash removal and control of equipment. As a further step, the Anthracite Operators Conference has formed the Anthracite Equipment Corporation, to encourage the invention and development of anthracite burning equipment, devices for automatic combustion control, and appliances for ash removal both from the furnace and from the basement.

Still another effort to protect the future was the appointment of Prof. Homer G. Turner, of Lehigh University, Bethlehem, Pa., as director of anthracite research. Most of this work will be carried on at Lehigh under his personal direction but, in addition, research fellowships are being established at Pennsylvania State College and at Yale University.

"This program," says Noah H. Swayne, executive director of the An-

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1½ ton chassis (131" wheelbase)

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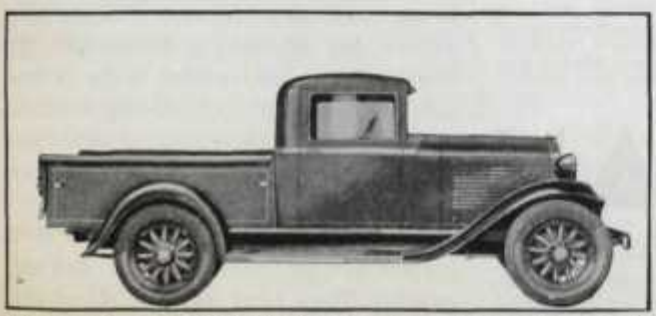
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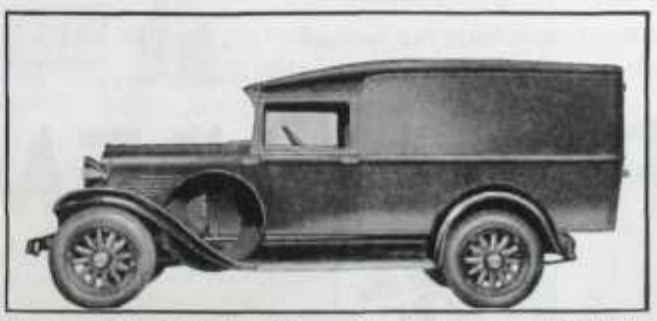
f. o. b. Toledo, Ohio

New Willys Six Trucks combine brute power, endurance, efficient service, long life, economical operation . . . Bodies are mounted with chassis as complete units, giving permanency and rigidity . . . Willys Six Trucks have 65-horsepower motors, full force-feed lubrication, floating oil type suction, large duo-servo 4-wheel brakes . . . The 1½-ton unit has 4-speed transmission and full floating rear axle.

Willys-Overland, Inc., Toledo, Ohio — Willys-Overland, Ltd., Toronto, Canada



Chassis and Cab, $495. With Pick-Up or Open Express Body, $522. Inside body measurements, 66 inches long, 45 inches wide, 11½ inch sides.



Chassis and DeLuxe Sedan Panel Delivery, $645. Smart appearance. Inside body measurements, 72 inches long, 46¾ inches wide at floor, 52 inches wide at belt.

A BODY TYPE FOR EVERY BUSINESS NEED

When visiting a Willys-Overland dealer please mention Nation's Business

IRON FIREMAN CREATES *Prosperity* THROUGH ECONOMY



users saving more than $5,000,000 A YEAR

IRON FIREMAN cuts fuel bills . . . provides steady, automatic heat . . . prevents smoke . . . saves labor.

Success in your business, or economy in your home—each hangs on a single thread: *Keep your costs below your income.*

A recent survey shows that, in business installations, Iron Fireman savings represent average earnings of 39.4 per cent per year through fuel savings alone. In residences, the survey showed average savings of $90 a year on fuel alone. Iron Fireman users will save more than $5,000,000 in 1931. *Will you get your share of these savings?*

Let Iron Fireman Help Pay for Itself

Iron Fireman can be purchased on the time payment plan. Fuel savings and other economies of operation will go far toward meeting your monthly payments.

Write for illustrated literature, or ask your Iron Fireman dealer to send an engineer to examine your heating plant or boiler and estimate your possible savings. Use the coupon. Iron Fireman Mfg. Co., Portland, Ore. Branches or subsidiaries in Cleveland, Chicago, St. Louis, New York, Milwaukee. Dealers everywhere.



•

Seate-Planters Bank Building, Richmond, Virginia—"Iron Fireman has cut our fuel bill in half. There is also saving in labor as the machine is fully automatic, affording more uniform heat and constant boiler pressure."

IRON FIREMAN

Automatic Coal Burner

Iron Fireman Mfg. Co., Portland, Oregon, Dept. N-1

☐ Send Literature ☐ Send engineer for survey.

Name_____

By_____

Address_____

©1931 I F M Co.

THE MACHINE THAT MADE COAL AN AUTOMATIC FUEL

When writing to Iron Fireman Mfg. Co. *please mention Nation's Business*

thracite Institute, "will involve a detailed study of the physical and chemical properties of all coal beds of the Pennsylvania anthracite region. The X-ray, the microscope, spectroscope and other delicate instruments will be used in revealing the secrets of structure and composition of anthracite. The knowledge thus gained will help to perfect anthracite as a solid fuel and may also lead to the development of new uses for anthracite."

The research laboratory has settled down to a long-time job, and it has no expectation of revolutionizing the industry overnight. But it may be stated that it has laid out definite lines of study in the possible use of hard coal as a source of dyes and chemicals, and a material for water filtration now worth $250 a ton already has been evolved as a laboratory product. The laboratory expects also to contribute definitely to the increased use of coal at the mines by power plants. Several such plants are now operating.

The industry's advertising

ANY outline of the industry's rejuvenation would be incomplete without reference to its advertising program. Most large operators are now spending large sums in advertising, directly and through dealers. The Reading was the leader in this movement, and it has worked out a complete program of dealer helps and follow-up material.

One producer—the Glen Aldan—has even tinted its coal blue to identify its product. Inter-competition between the producers and their dealers is keener than ever before, but it has not been permitted to become a battle for outlets. Dealers are swinging into line with the policy of holding existing consumers by satisfactory products and service before trying to get new ones.

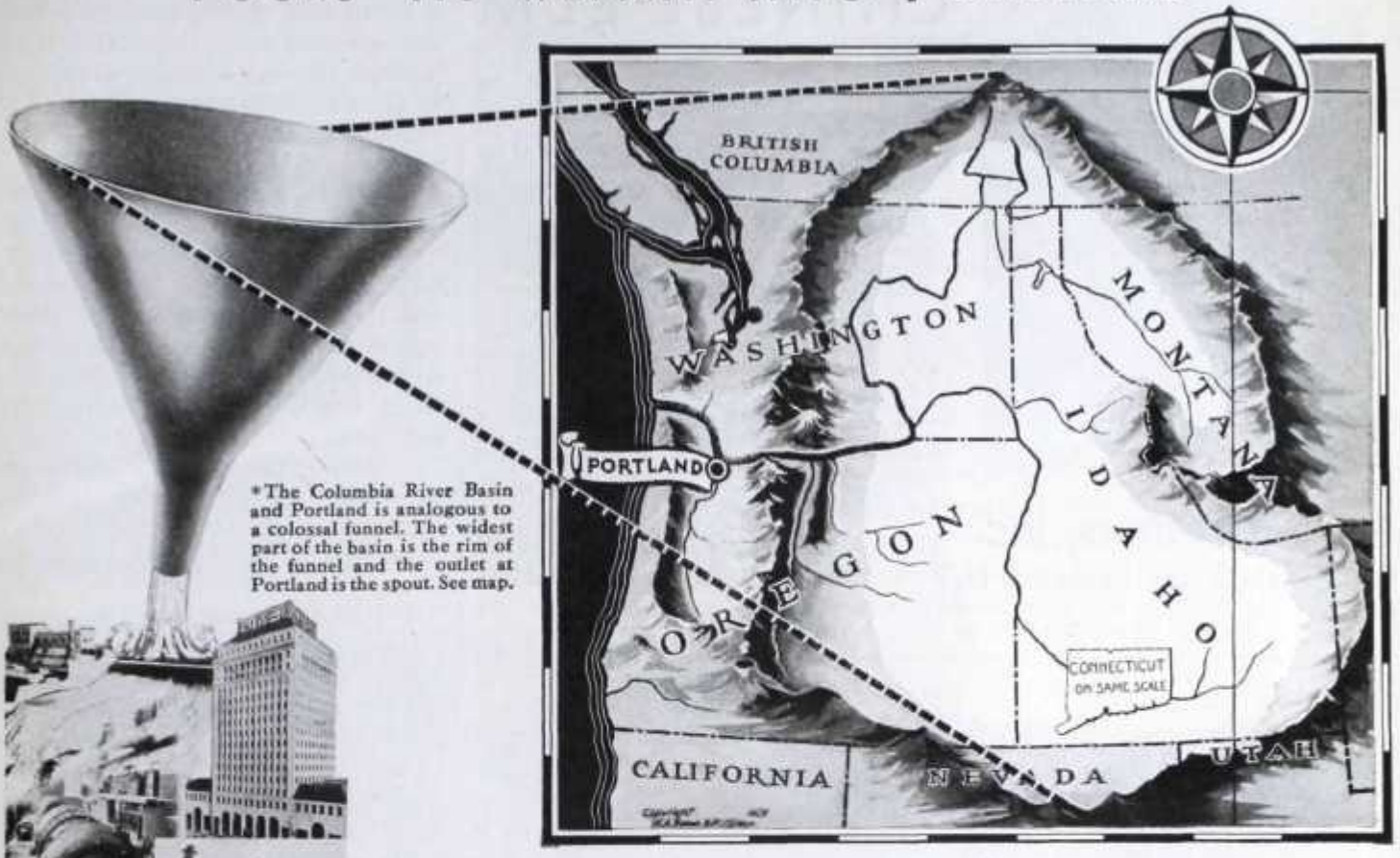
Selling a winter's heat

THIS is evidenced by the fact that numerous local merchandising plans are being developed. In one Philadelphia suburb, for example, a dealer sells delivered heat, contracting with householders to maintain a fixed temperature, keep coal in the bins, remove ashes and keep the equipment in prime condition for a fixed amount. Instalment sales have been widely established and have been successful particularly in the summer months. They have had the effect also of counteracting to some extent the influence of buying from hand-to-mouth.

Anthracite operators and dealers have

THE COLUMBIA RIVER BASIN

POURS* ITS WEALTH INTO PORTLAND



*The Columbia River Basin and Portland is analogous to a colossal funnel. The widest part of the basin is the rim of the funnel and the outlet at Portland is the spout. See map.



★PORTLAND'S ANIMATING CLIMATE

Portland's seasonal climate is animating and energizing without excessive humidity and without extremes of heat and cold. It is considered "scientifically balanced." A world-renowned scientist states, "Man is more active physically at a temperature of 55 to 70 degrees than when it is colder or warmer, and he does his best brain work when outdoor temperature is around 40 degrees." Portland's climate fits these specifications exactly. A 10-year average for January was 39.6 degrees and for July 67.2 degrees. The enervating heat of torrid summers, the biting cold of frigid winters are unknown in Portland.

ON THE PACIFIC COAST Nature endowed an area of 250,000 square miles (which is equal in size to the combined areas of all New England, plus New York, New Jersey, Delaware, Pennsylvania, Ohio, and Indiana) with climatic,★ topographic, and geographic advantages.

Around it she framed a barrier of lofty mountains, gave it *one* strategic, water-level gateway, where was destined to be the City of Portland, the commercial capital of this Northwest Empire.

Today this great Empire is called by economists the Columbia River Basin, and it is a funnel of commerce through which its trade gravitates into its natural spout at Portland. Portland is the logical distribution center of the Pacific Northwest; that's why eastern factory branches, sales representatives and distributors are locating here on an unprecedented scale. And there are other reasons:

Portland is the first port in the Pacific Northwest... Portland offers unexcelled transportation and storage facilities; 4 transcontinental railways; 59 steamship lines; 109 auto freight lines; 6½ miles of docks; and more and larger warehouses than any city in the Northwest. Low living costs and high per capita wealth. (44.6% of Portlanders own their own homes.) Portland has an ideal working climate and unequalled social and recreational advantages.

These facts and others on Portland, the Ideal City in which to Work—to Play—and to Live, have been compiled in an interesting industrial survey and will be sent to any executive requesting a copy. Use the coupon.

Come On-to-Oregon and Portland this year... learn first hand the opportunities that await the man with vision and capital. While here enjoy your favorite outdoor sport in America's most alluring vacation playground. The trip of a lifetime awaits you.

PORTLAND, OREGON

The fresh water  *port of the Pacific*

ON-TO-OREGON, Inc
1390 PUBLIC SERVICE BUILDING, Portland, Oregon

Please send me data on the Portland Market, its commercial and industrial opportunities and future.

Name Firm

Address

FOR LUXURIOUS SHADE



Plant the Beautiful—
Hardy—Fast Growing

CHINESE ELM

(North China Strain)

Plant this Spring and enjoy abundant shade in a few short years.

The tree shown is growing at Sodus Point, New York, on Lake Ontario. When planted three years ago it was a little whip 3 feet tall. Last August it measured 17 feet high, with a branch spread of 10 feet and a 4 inch trunk.

The Chinese Elm is the fastest growing tree we know. It thrives anywhere, in any kind of climate, from Arizona to Saskatchewan. One of the first trees to leaf out in Spring and the last to shed in Fall. A tree of rare beauty and symmetry, resisting drought and cold, and flourishing in poor soil. It is ideal for planting on new developments, sub-divisions, streets, in parks, for windbreaks, screens and as individual lawn shade trees.

CAUTION! Be sure to buy only the hardy North China Strain, endorsed by the U. S. Department of Agriculture. Cheap Chinese Elms from seed gathered near Nanking have none of the fine qualities of the North China Elm, and results from planting them are disappointing. We grow only the hardy, North China Elm.

Our new Catalogue, beautifully illustrated in full color, describes the Chinese Elm, and a complete line of Evergreens, Shrubs, Perennials, Trees and Plants of every variety for large or small planting.

An expert Landscape Department is at your service. Write for the free Catalogue today.

Glen Brothers, Inc.
1765 Main Street, Rochester, N. Y.

GLENWOOD NURSERY
Established 1866

"We furnish the home—outdoors"

The Stationery of the Successful

Genuine Engraved Stationery

ENGRAVED STATIONERY MANUFACTURERS ASSOCIATION

Look for this Mark of Genuine Engraving when you order Letterheads, Business Cards or Announcements!

AROUND COOL SOUTH AMERICA THIS SUMMER — $800

This untrodden continent awaits you. Pleasure, Culture, Economy. 9000 miles sea travel. 1300 miles rail deluxe. 19 colorful cities. Two glorious months. All inclusive. Write for Folder B.

1st Class THRUOUT

PACIFIC ERA TRAVELS, INC.
307 Crary Bldg., Seattle 112 E. 19th St., New York

PUBLICIST

Twenty years' success, now corporation head, available consultant capacity. Public and press relations, good will direction and suggestion, increased confidence, returns; corporate, individual, group. Address:

PUBLIC OPINION
care "Nation's Business," Box No. 300

found that to an unusual extent they are subject to competition from motor cars, electric refrigerators, radios and dozens of other products sold on instalments. People with payments to meet are less inclined to buy a winter's supply of coal in the summer, despite the price reductions generally made then. When they buy later, they buy in smaller quantities. As a result, dealers require heavier inventories to be prepared for the cold weather rush.

One of the things that impressed me in talking with various operators and executives of the Institute and the Coal Service is their attitude toward depression. It looms far less important to them than to the average industrialist for the simple reason that the anthracite industry has become inured to depressions of its own.

It has had them in good times and bad—and it always pulls out.

A fuel of checkered history

"DISTRESS coal was sold at the mines in 1890 and many times since," Dr. Parker told me. "Anthracite has opened and lost more markets than any other fuel. It was the leading fuel once in blast furnaces before being displaced by the by-product coking fuels. Anthracite steam sizes once represented the prime mover of many industries. Today the use is domestic almost exclusively—that term, of course, including apartment houses and hotels and the heating of office buildings."

Expecting and anticipating change, the industry answers general economic depression and reduction in the demand for its product caused by warm weather with more advertising, more intensive selling, increased investments in plant and equipment, and extension of its marketing range.

In the face of a falling off of two million tons or more in 1930 under the 1929 production, its leaders are supremely confident.

An Inventor's Troubles

ELI WHITNEY never profited financially from his invention of the cotton gin, the device that revolutionized the cotton business. His machine was pirated on the market before he obtained a patent, and he spent every dollar he had, including $50,000 voted him by the State of South Carolina, in the litigation that ensued. He did accumulate a fortune later. It came from a firearms invention.—J. H.

The Ice-cooled Bed

... a strange page from the history of air conditioning ... and a look into its future



Air conditioned restaurants stimulate appetites and make dining more enjoyable



Discomfort and fatigue of summer shopping are not found in air conditioned stores



Air conditioned trains ... the last word in luxurious summer travel



THIS ICE-COOLED BED of 1865 was introduced to the public as "Lyman's Air Purifier." Air flowed over ice in the head of the bed ... and onto the sleeper's pillow.

Every decade brought its ingenious schemes for cooling and purifying air. Before 1900, a railroad ice-cooled its sleepers. About 1905, a Pittsburgh church proclaimed "Ice-cooled church services."

In 1914, the Empire Theatre, in Montgomery, Alabama, turned 100 degree July heat into 70 degree May mildness. Not ice cakes this time ... but York refrigerating coils accomplished this epochal feat. In 1922, York Machines were installed to cool the New York Stock Exchange.

Thus, conditioning air for human comfort has always meant refrigeration; and York, as pioneer in refrigeration, early became an inseparable part of another expanding industry.

People everywhere are experiencing the comforts of conditioned air ... wherever they get together indoors. They are beginning to hope for it ... look for it. Soon it will be in universal demand ... following other progressive trends in America's development.

Air conditioning can be applied equally well to small stores or large buildings. Can it be applied profitably to your business? York engineers will gladly submit an answer.

YORK ICE MACHINERY CORPORATION
• • YORK • PENNSYLVANIA • •

AIR CONDITIONING DIVISION
Complete air conditioning systems for maintaining proper atmospheric conditions for comfort and industrial purposes.

•

ICE PLANT DIVISION
Ice making machinery and ice plant equipment ... a complete service to the ice industry.

•

ICE CREAM AND MILK PLANT DIVISION
Refrigerating machinery and specialized equipment for ice cream making, dairies and milk products.

•

EXPORT DIVISION
Adapts to varying needs of export markets, products and services of the other divisions. General Export Office, New York. Cable: Shipkumma, N. Y.

INDUSTRIAL REFRIGERATION DIVISION
Refrigeration specifically applied to every industrial need.

•

COMMERCIAL UNIT DIVISION
Self-contained refrigerating units for meat markets, groceries, delicatessens, florists, restaurants, hotels, hospitals.

•

ACCESSORY AND SUPPLY DIVISION
Refrigerating lubricants, supplies, fittings, accessories.

•

MARINE DIVISION
Equipment and engineering for all marine refrigerating requirements.

•

SERVICE AND MAINTENANCE DIVISION
Engineering service obtainable from 71 direct factory branches in the U. S. A. and 20 foreign cities.

AIR CONDITIONING is this: providing clean air at ideal temperature and humidity to bring health and comfort to people everywhere ... in theatres, restaurants, hotels, stores, offices ... wherever they gather indoors.

YORK
REFRIGERATION

When writing to YORK ICE MACHINERY CORPORATION *please mention Nation's Business*

. . . and now at

Half the Cost

wax and polish in ONE Operation



Close-up of dispenser unit showing thread-like stream of FINNELL-KOTE flowing to the floor.

with FINNELL-KOTE

FINNELL-KOTE—applied in hot liquid form—dries instantly . . polishes in half the time required to wax and polish by any other method.

FINNELL-KOTE costs less to buy . . costs less to apply. Polishes to a mirror-like finish . . practically slipless and dust-resisting. Unsightly, worn spots can be patched in a few seconds.

FINNELL-KOTE dispenser unit may be mounted on any of the nine models of FINNELL Electric Floor Polisher-Scrubbers. Electrically melts the FINNELL-KOTE which may then be flowed on floor. The brushes distribute the FINNELL-KOTE uniformly . . evenly. Once more over the area and the polishing is complete. Convenient . . economical . . safe . . efficient. For all kinds of floors and floor coverings.

The same FINNELL Machine can be used also to scrub . . all kinds of floors . . at a great saving in time, labor and money.

Write for full particulars about FINNELL-KOTE and FINNELL Machines.

NOTE: If already one of the thousands of users of FINNELL Floor Machines, you can apply this Dispenser unit to your machine and have all the advantages of FINNELL-KOTE. Ask us to have the FINNELL representative in your city give you a non-obligating demonstration. We will cheerfully lend any of our customers one of these new KOTE Dispensers.

FINNELL SYSTEM, INC.
403 East St., Elkhart, Ind., *Est.* 1906



FINNELL Household model. WAXES, polishes, refinishes, or scrubs—wet or dry. Write for booklet.

When writing please mention Nation's Business

Buyers Specify His Products

(Continued from page 41)

degree by mass psychology. We do too little individual thinking. We group in cities. We shut ourselves away from sunshine and fresh air, speculating, conspiring, imagining vain things, glorying in ourselves rather than in the universe. We shun the realities of life, leaving those few men whose brains and skill and products we specify to face and interpret the facts.

Solving one's own problems

EVERY man must save his own soul if he is to inherit an eternal existence and every man must work out the difficult and varied problems incident to his business if he shall expect success in life.

Cooperation with one's fellow man is a good thing, charity is commendable and the Golden Rule is mighty fine ethics, but just as a man goes down into the valley of shadows alone, so must he travel the way of life.

It is necessary that this inexorable fact should be faced. It relates directly to the day's work. There can be no overproduction if each business man will produce no more than he can sell. In such an event there would be little, if any, unemployment, for the hours of labor would also be coordinated with market requirements.

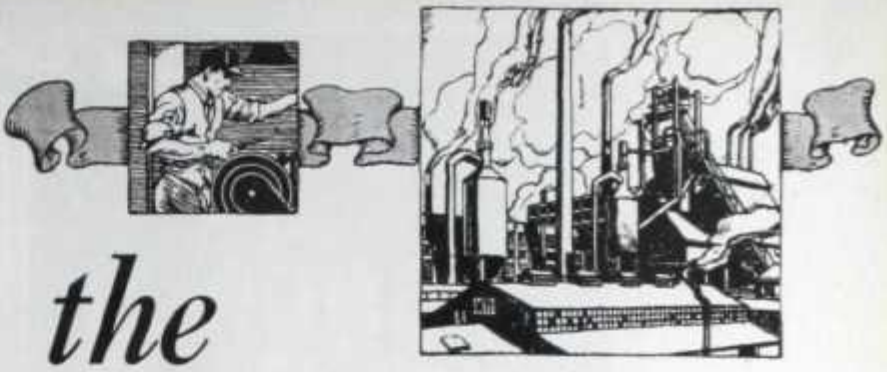
The following quotation is from a letter received by a friend of mine a few days ago. It is the opinion of the vice president of one of the largest manufacturers, buyers, and distributors of merchandise in this country:

> We feel here that business in general is going to improve, and already is improving, but it is going to be from the new basis of low commodity costs and somewhat reduced production costs.
>
> If those industries which have passed through the results of overproduction and who are now working on a curtailment basis, or on a basis of selling the goods through proper channels before they are made, with production running equal or less than bookings, will continue on that basis, there is hope for the industry eventually to get into a much better relative position, but if the producers of the country soon forget the lessons of 1929-1930 and go back to producing merchandise in the hope of selling later, and if they proceed with the distribution through unethical channels, with all sellers going for all classes of trade, we will simply be back again where we were in 1929-1930.
>
> All the evils have not been worked out yet, but some of them have. Of course we are keeping our own affairs very snug, with our manufacturing plans in keeping with our distribution plans and expectations as we visualize them, making our estimates on a conservative basis, avoiding overproduction.
>
> While our production may be lessened, nevertheless results are quite satisfactory. It is really surprising to see how well you can come out with reduced production, but production that is sold, along with careful handling and elimination of unnecessary expense—I say it really is surprising how well you can come out.

That last sentence should be memorized. As an Arab would put it, it should be engraved upon the eyeballs so that he who would see must see it and, see-



Stores had to sell his soups because people asked for them



Stick to the BIG IDEA

EVERY right-minded man who starts in to make something to sell is sustained by a valid idea.

He is convinced that his product embodies a real *advantage* for the user and that therefore intelligent people will buy it.

On that simple and durable premise have been reared in the past quarter-century the greatest business and industrial structures in America.

The process of their erection has been invaluably *quickened* and *strengthened* by honest and informative advertising.

IF your business is worrying you now, if sales and profits are sagging, go back to the beginning in your thinking.

Be *sure* your product is superior, in style, quality, value or utility; be sure it is distributed within reach of the customer.

This done, *tell* people about it, *in terms of their interest, not yours*—tell them over and over again through the advertising pages of THE SATURDAY EVENING POST.

You are then displaying your wares before the most intelligent and progressive audience in America—that hub *three-million-strong* which turns the taste, thinking, *buying* of the nation.

IF you think this is merely selfish advice, think again; *it is the tried and true formula of outstandingly successful business.*

The Post is an inseparable part of that formula simply because experience has demonstrated that its values cannot be bought elsewhere at any price!

THE SATURDAY EVENING POST

"AN AMERICAN INSTITUTION"

THE CURTIS PUBLISHING COMPANY



INDEPENDENCE SQUARE, PHILADELPHIA



"Golden State Limited"

Chicago · El Paso · Tucson · Phoenix
San Diego · Los Angeles · Santa Barbara

Through cities of the new Southwest past the great guest ranches of Arizona... the fashionable resorts about Palm Springs and Indio... to sunny Southern California. That is the fascinating route you'll travel on Southern Pacific's "Golden State Limited".

New as the fascinating West itself, this fine, fast train offers rooms en suite if desired; barber, valet, bath, ladies' maid, club car and ladies' lounge ... with the Southern Pacific service that is a Western tradition.

Only Southern Pacific offers choice of four routes between California and the East. Go West on "Golden State Limited". Return on "Sunset Limited", "Overland Limited" or "The Cascade". The variation of routes allows you to see the whole Pacific Coast.

GOLDEN STATE

Southern Pacific

Write to H. H. Gray, 531 Fifth Avenue, New York City, or O. P. Bartlett, 310 South Michigan Boulevard, Chicago, for book with illustrations and animated maps, "*How Best to See the Pacific Coast*".

When writing for booklet please mention Nation's Business

ing through it, find the true way to business success.

Overproduction is simply an excess supply of goods which consumers do not want and will not purchase except, as unfortunately so often happens, at prices which yield no profit to manufacturer, to labor, or to the producer of the raw materials.

If manufacturers will research their markets and arrive at an intelligent knowledge of what consumers want and have the ability to purchase, they will not overproduce because they will find themselves concentrating on quality relative to sales price, rather than on quantity to minimize overhead. In consequence, their hearts will be cheered and their stockholders will be pleased to find that their products are specified by buyers.

According to Schopenhauer, will and idea constitute the world as far as human beings are concerned, the will to do and the idea to conceive. Undoubtedly it pays in hard cash to put original thinking into one's business and to execute with determination what the mind plans.

Centuries will elapse before competition in specialized quality products in the form of brains, skill, or materials will have reached that time when buyers will no longer specify what they want.



One Railroad's Toll

WHEN Minor C. Keith, the United Fruit magnate, was building the first Costa Rican railway in the 1870's, his average working force numbered about 1,500, says B. C. Forbes in his biography of "the Cecil Rhodes of Central America;" but so slow and arduous was the construction and so deadly the fevers of the coastal region that the first 25 miles of the road cost the lives of three of his brothers and of 4,000 laborers.

No railroad was ever built under greater handicaps than that little line leading out of Puerto Limon. When Keith finished it, he had conquered the jungle, famine, floods, pestilence, lack of funds and mutinying workmen.

FRESH MILK



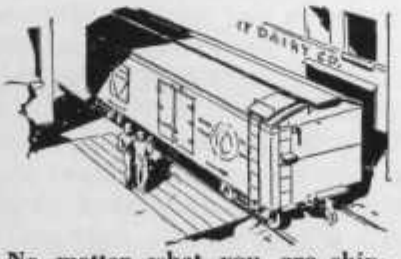
a Change in Definition

The "milk problems" of the past exist no longer. Gone is the danger of impure, unwholesome milk . . . taken from "city-lot" cows or shipped from the country in cans that were sometimes carelessly washed. The milk-man's high cart and clanging bell belong to a forgotten tradition.

Today milk comes to our tables as sweet and fresh as when it left the farm . . . which is sometimes many hundreds of miles away. Specially constructed glass-lined refrigerated milk cars enable it to be shipped great distances without any loss of its purity and richness.

This change in the definition of milk is indicative of the constant advancement of railroad transportation, in which General American has played so important a part. It has built, designed or invented hundreds of cars . . . milk, refrigerator, tank, express, stock and others.

It has perfected a transportation service that extends from coast to coast . . . a service that includes ten repair plants and a vast fleet of cars which it leases to shippers throughout the country. It also operates a large export terminal for the storage, handling and packaging of all kinds of bulk liquids—and, in addition, maintains an extensive European freight transportation system. Its vast resources and manifold activities make it the largest organization of its kind in the world.

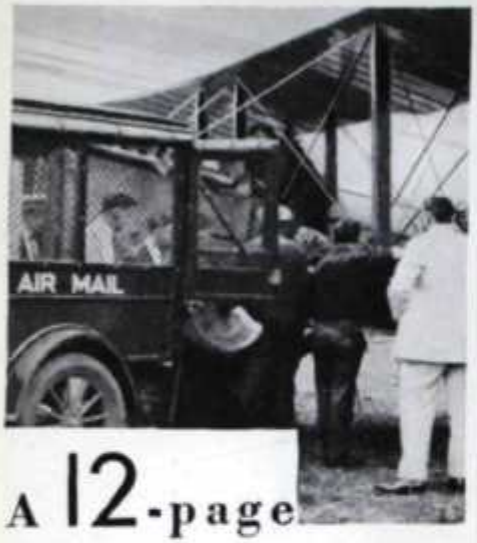


No matter what you are shipping, you will find it profitable to confer with our engineers. Railroad transportation is always dependable—a railroad car can be built to carry any commodity in bulk. Write or wire, Continental Illinois Bank Building, Chicago.

GENERAL AMERICAN TANK CAR CORPORATION

"a railroad freight car for every need"

★ ★ ★ ★ ★



A 12-page LETTER by air mail for 5¢*

To business firms using foreign or air mail, Dexstar Manifold offers a practical way to effect drastic savings on postage.

For example. With typical bond paper a five-page letter by air mail requires 15¢ postage. Nine pages 25¢. With 5-lb. Manifold anything up to 12 pages is within the 5¢ limit.

Reducing postage costs is only one of the many forms of economies made possible by the use of this modern thin business paper.

In offices where numerous copies of letters, specifications, orders or other memoranda are required, Manifold speeds up work and reduces typing time. 7-lb. Manifold permits 10 to 15 copies per typing—more than twice the number obtainable with ordinary Manila paper. In some cases this has reduced stenographic costs over 50%.

Dexstar Manifold is a genuine rag content paper—amazingly tough and durable. It stands erasing, may be written on in pen and ink, and will take printing or lithography.

**Just by way of proof—ask your secretary to write for sample and we shall send 12 letterhead sheets by air mail. Address Dept. A-6,*

C. H. DEXTER & SONS, INC.
WINDSOR LOCKS, CONN.
Paper Makers Since 1835

DEXSTAR MANIFOLD

When writing please mention Nation's Business

Making Directors Part of the Sales Force

(Continued from page 34)

write to his friend and pave the way for a representative of our bank to go to their home office and make the contact. The director gladly cooperated. It perhaps took him about five minutes.

When our representative reached the company's office he found that the letter had opened up the way for him to have a frank talk with the president of the company. Although our director's letter had in no way convinced these people that they should use our bank, it had created interest. They asked our representative just why they should do business with us and not some other bank. No one could ask for a better opportunity to sell his organization.

Opening the way to markets

WE immediately offered to help them merchandise their product in New England. While we could not sell their goods for them, we could open up to them the easiest path to the key prospects of this territory and show them that, through our long experience in all types of merchandising, we could point out the pitfalls and outline the right approach to the sometimes difficult New England market.

This was a sound argument. It caught fire immediately. Our representative went over their problems with the officers of their organization and came back to the bank primed with information as to just what we could accomplish for our prospect.

We found that there were several contacts which we must make in New England to give our prospect and future customer an easy entrance. There were two large organizations, in particular, which our prospect must sell to entrench itself firmly in this market.

Upon digging into our files concerning these two organizations, we found that in each case a director of the bank had a contact with the company. We explained the proposition to these directors.

When the representative of our prospect arrived in New England we were ready for him. Our directors had made the whole deal possible. The directors were glad to help us because we made their work easy for them. We did not put up to them any problem to be solved. We simply requested that they take a certain, definite action.

Often the directors could help solicit accounts if they knew on what accounts the Development Department was working. We have found that our records sometimes do not show the affiliation of a director with a company whose business we are soliciting. To avoid losing opportunities to make capital of our directors' contacts and experience, we have found it advisable to publish for each directors' meeting a list showing all the prospects which the bank is soliciting.

On this list, which is a regular form, we give the name, size and location of the prospect, and the names of officers. If we already have a contact with the company, we put down the name of the men with whom we have made the contact and, finally, we give the name of the bank officer who is soliciting the account. It takes the director only a few minutes to run over the list and note the concerns whose business he believes he can help to get. Then we request that he get in touch with the officer in charge of development work so that a plan of action can be made.

If a customer's affiliations with the bank are a bit shaky for one reason or another, his name is put on the list so that any director who has contacts with the company can make an effort to cement our friendship and business relations. This is important because often a friendly gesture or simply a word from a director will do much more for the good of our business than all the solicitations of our officers.

Give thanks where due

ONE important point should be remembered—whenever a director helps to solicit an account, he must be kept informed of the progress made and, when the final results come in, he should immediately get a record of them. In this way you can show appreciation for his work and let him know that the time he has spent working with you has not been wasted.

It is important to get the directors to take off their coats and go to work, but it is just as important to remember to brush off their coats and help put them on again when the work is done. Recognition of service will make it much easier to obtain their cooperation when it is next needed.

In giving that cooperation directors become the greatest business-getting assets any institution can have.

FOR FULL MEASURE EFFICIENCY IN HAND-WRITTEN RECORDS . . .



Many of the most important records in business must be written by hand. Original entries of orders received by telephone . . . stock records and receipts in busy store rooms or warehouses . . . requisitions, piece-work records, delivery tickets . . . upwards of twenty billion dollars' worth of merchandise yearly must be safeguarded and controlled by hand-written records.

Lay the measuring stick of WIZ Register improvements against your record-keeping operations if you want to check whether you are enjoying ALL the advantages in hand-written record efficiency that modern practice makes possible.

Only the WIZ Register with Rediform FLATPAKIT Speed Forms gives you the complete combination of locked protection, plus easy auditing, plus the convenience of modern lever-type operation. Let a Rediform representative demonstrate.

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EXECUTIVE OFFICES: ELMIRA, N. Y. *Factories:* Elmira, N. Y., Niagara Falls, N. Y.
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The full-measure advantages of WIZ Autographic Register and Rediform FLATPAKIT Speed Forms include:

SPEEDY OPERATION

One pull of the lever ejects set of forms, refolds one or more copies in locked compartment, and brings a new set into writing position; operator does not need to lay down pencil to operate.

EASY AUDITING

The refolded pack of continuous length forms is checked by turning over the sheets like pages of a book; being in a continuous strip, the forms are readily kept in proper order.

SYSTEM SERVICE

WIZ Registers and Flatpakit Speed Forms are produced by an organization with more than 47 years' experience in designing business record systems. This system experience is at your service.

RECORD PROTECTION

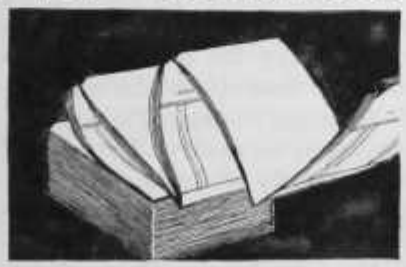
A locked compartment is available, if desired, so that one or more copies of each set of forms can be guarded against the possibility of loss or alteration.

ADAPTABILITY

Forms may be any color or quality of paper, and each sheet in a set may be a different color if desired. Registers are furnished with or without locked compartment, and mounted on turntable, cash drawer, or pedestal stand. Also with arm rest, if desired.

SPEED STATIONERY *for "Continuous flow" typing . . .*

Rediform Interleaved Speed Stationery for invoices, purchase orders, bills of lading and other typewritten multi-copy forms, flows through writing machines without the interruptions required in the handling of loose forms with loose carbons. Saves 25 to 50 per cent.

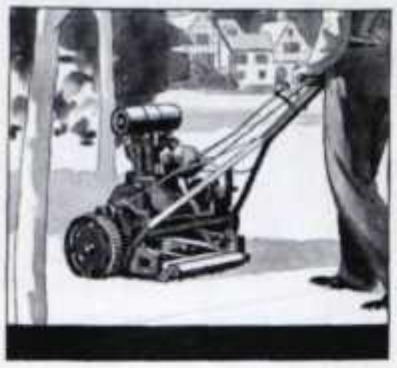


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Rediform
SPEED STATIONERY AND SPEED FORMS

Detach this slip and mail it to the American Sales Book Company, Ltd., Elmira, N. Y., with your letterhead or business card and samples of forms you now use. We will give you specific information regarding the application of WIZ Registers and Rediform Speed Stationery to your own business.
N.B. 3-31

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NEW SPEED
plus OLD RELIABILITY



FOR SMOOTHER, HEALTHIER LAWNS —AND UNBEATABLE EASE OF HANDLING

Surplus power and convenient controls provide extreme flexibility in the new Ideal Power Mowers. They can be slowed down to a snail's pace for easy turning—instantly accelerated to a fast walking speed for open cutting.

Mechanical features include: automatically operated valves . . . automobile type valve tappet mechanism . . . foolproof lubrication . . . effective cooling system. *There is no finer mower motor.*

Two sizes of *wheel* type: 20, 25-inch cut . . . Two sizes of *roller* type: 22, 30-inch cut. Your request brings illustrated brochure on lawn maintenance equipment.

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For larger, foliaged grounds, the agile Triplex is unbeatable. Almost human—it dodges all obstructions—yet cuts 35 acres per day. Simple and economical to operate. Ask about the Triplex.

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161 Vester St., Ferndale (Detroit) Mich.
273 Boylston St., Brookline, Mass.
Dealers in all principal cities

the new IDEALS 5 SIZES

Can Farmers and City Men Both Prosper?

(Continued from page 46)

to become so in this country. Here the American farmer has some slight advantage from protection.

As the standard of living of our people rises, they incline to consume a little less wheat flour, but more sugar, fresh fruits and vegetables. The growing of these products is an expanding agricultural industry and some protection is afforded those farmers who grow them. However, in spite of all that can be said about protection for the American farmer, it remains true that the great staple crops such as wheat and cotton have to be sold on a world market and the farmer must compete with all the world when he sells them.

Professor Dodd continues his argument with the statement that "when he (the farmer) buys his supplies he must pay prices maintained at high levels by governmental aid."

That is sometimes true and sometimes not. A sweeping statement of that kind is presumably based on the theory that a protective tariff is always added to the domestic price of the protected article. That assumption is contrary to fact as well as theory. The domestic price of any commodity is determined by the relation between the supply of, and the demand for, that commodity. We may assume that the domestic demand for a commodity is not affected by a tariff on its importation. How then does the tariff affect the domestic supply?

Summing up the situation

THE undoubted effect of a tariff is generally to reduce the quantity imported, but that does not tell the whole story. If the quantity produced at home should increase as the result of the tariff, that at least partially offsets the diminution in the quantity imported. Without going into a statistical study of this problem, the following remarks probably cover the case.

First, if the commodity is not produced at all at home, there will be nothing to offset the diminution in the quantity imported. In this case, the tariff reduces the supply on the home market and the price will naturally rise.

Second, if, as the result of the tariff, the domestic industry is so stimulated as to increase the domestic production in exact proportion as the importation is diminished, the total supply on the home market will not be changed and the price will not rise at all.

Third, if the home production should increase less than enough to offset the diminution in the quantity imported, there will be some decrease in the supply on the home market and the price will rise somewhat, but not to the full extent of the tariff duty.

Fourth, in case domestic production should be so stimulated as to more than offset the diminution in the quantity imported, there will be an increase in the supply and the price will fall.

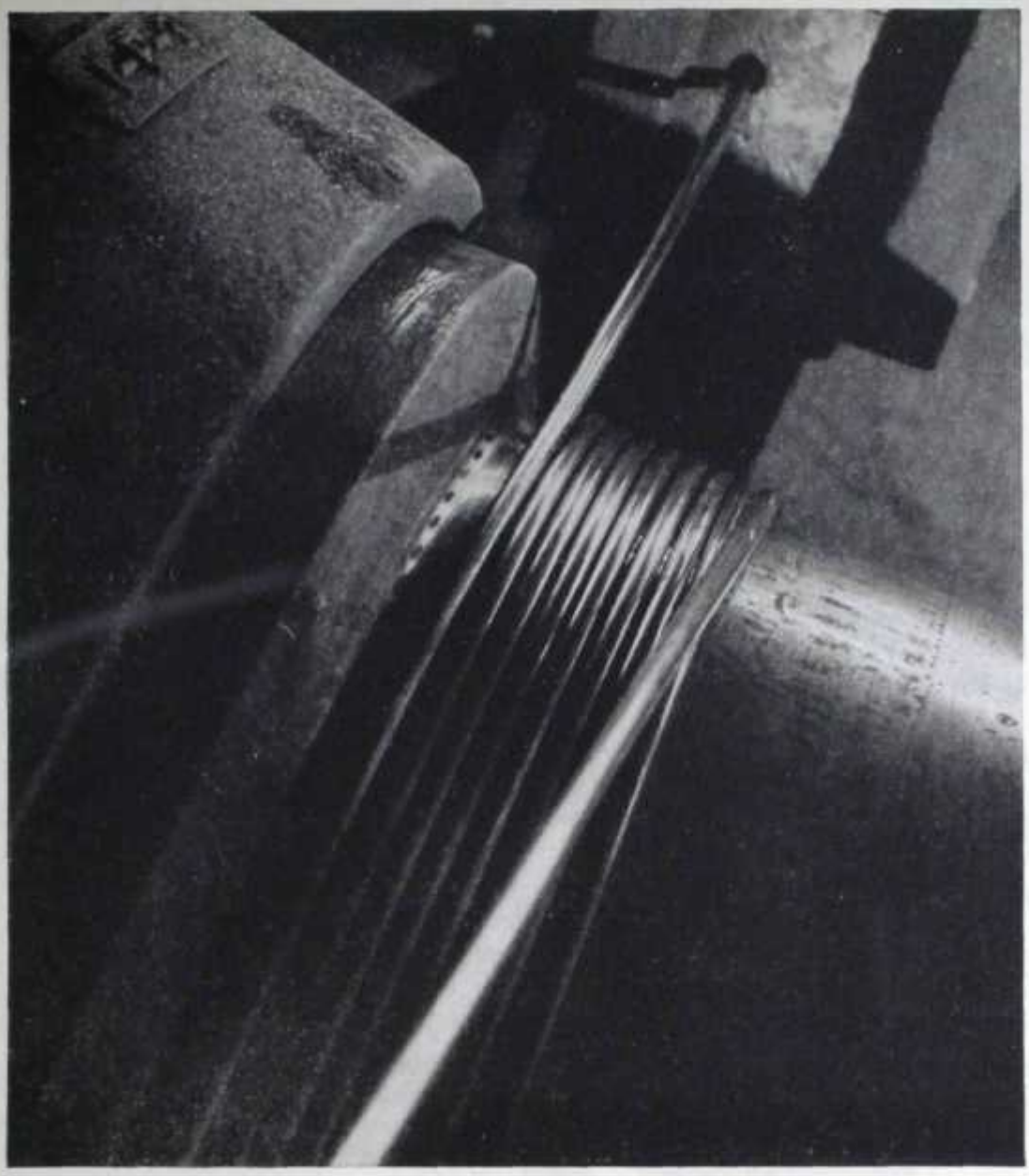
It may work both ways

IT IS a rather naïve assumption that a tariff duty must always be shifted forward on to the home consumer rather than backward on to the foreign producer. Under the theory of probabilities, unless there is some positive reason for thinking otherwise, the chances are just as great in favor of shifting backward as of shifting forward.

The question really hinges on the conditions under which the domestic product is produced. Sometimes large-scale production is cheaper than small-scale production. When the domestic industry is permitted to expand, it may actually lower its cost of production. The only question is "Will the consumers get the benefit?"

That depends upon whether there is enough competition among domestic producers to force them to reduce their prices in proportion as they reduce their costs. In some cases at least, this occurs. Some things the farmer has to buy cost him no more than he would have to pay if there were no tariff duty. Farm machinery and automobiles are examples.

Whether, on the whole, the farmer gains more than he loses under our system of protection is a debatable question. I do not think anyone, so far, has enough information to be able to answer that question categorically one way or the other. The probabilities are that some farmers gain more than they lose and others lose more than they gain from our protective system. Beyond that, no one who weighs his words is likely to go.



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EXACTNESS in our methods is essential to serve the needs of our customers. From raw material to finished product, we take nothing for granted. The first step is a check for size—the last examination covers size, strength, fit, finish.

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STEEL SECURITY



IF THE inside story were to be told of EMPIRE Bolts and Nuts, we should be willing to rest our case with the engineers and the purchasing agents. They must be exacting. On their vigilance depends the reputation of the things their companies make. Just as they know the outstanding merits of the motor car—the tractor—the machinery they are building, so do they know the plus values in EMPIRE Bolts and Nuts. That means quality and accuracy far beyond their demands. If you are an executive in charge of purchases—investigate these definite R-B-W advantages: advanced facilities in equipment—and service that is alert and understanding. Inquiries welcomed by any R-B-W sales office.

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Aiding Debtors to Help Themselves

FAYETTEVILLE, N. C., merchants have inaugurated a plan of debt settlement which is proving most successful and which rids both creditors and debtors of many of the usual annoyances in trying to collect or pay accounts.

The Merchants Association acts as trustee for the various business houses and professional men. When a man finds himself heavily in debt and apparently unable to pay out, he goes to the secretary of the Association and explains his difficulties. He states his monthly income and he also lists his creditors. At this conference it is agreed that he shall pay to the Association a certain amount every month.

For instance, if his salary is $200, he may agree to pay $25. This sum the secretary prorates among the creditors. In a year or so his debts have been squared. In the meantime, he has been paying cash for all his purchases, so has nothing further to worry about.

Plan is working well

"THE plan is working out most satisfactorily to all concerned," said Mrs. Frankie J. Bedingfield, secretary of the Association. "While we are acting as trustee for the merchants, they agree not to sue or bring any other action against their debtors. If payments to us are not made regularly, we return the account to the merchant to do with it as he sees fit.

"As a rule, when a man owes a merchant a bill and the merchant begins to dun him rather vigorously, the debtor will keep away from the store and will pay cash for his merchandise elsewhere. Under our plan, however, just as soon as he agrees to settle his debts through the Association, the merchants cease to mention the indebtedness or worry him in any way.

"All he has to do is to pay the instalments regularly. If he really wants to pay, this system affords him an excellent opportunity.

"Our folks were rather slow in taking hold of this matter, but more and more interest is being taken in it, and we are receiving many inquiries relative to the operation of the plan. With only one or two exceptions, payments have been made with splendid regularity."

—CARL GOERCH

Hang your plans for the future *on facts*

AN OPEN LETTER TO THE SOBER-HEADED BUSINESS MEN, MANUFACTURERS, AND ADVERTISING EXECUTIVES OF AMERICA. *SECOND LETTER OF A SERIES*

Check this statement in 1932 ✓

The Literary Digest believes in facing the facts. Its editorial and advertising policies have always been planned on that safe principle. Its own problems for 1931 and 1932 and every year thereafter will be studied and solved the same way.

Now, more than ever, those businesses that base their decisions on something more than ambition and hope and enthusiasm and wishing-rings will march the highroads of success. This is a time for deep thought and accurate action . . . for reasonable advance whenever and wherever *the facts* may lead.

For many years, *The Literary Digest* has been recognized as the sounding board of American opinion. Its pre-election poll, its prohibition poll and its radio news broadcasts have been part of the nation's working information, part of its fund of facts by which conclusions are drawn and actions decided. Week in and week out, the advertising pages bring steady, significant returns —marking the true national reaction to any product or service.

Now the Digest advises all good business men to hang this year's advertising plans on facts . . . on facts like these:

Digest readers form a great public of prosperous, progressive families — intelligent, alert buyers of everything — people of steady income and sound, increasing standards.

The stability of this magazine and of its readers is evident from the fact that the Digest's regular public contacts will be continued, on an even larger scale in 1931.

Readers of the Digest are not cutting their purchases of this "basic commodity." The Digest has the largest magazine subscription revenue in the world.

The fact that practically all Digest subscribers buy for one year only and pay the full price — plus the fact that the Digest's success has constantly increased — shows that these people are able and willing to *Buy Now.*

To the advertisers of 1931, *The Literary Digest* offers a guaranteed circulation of 1,400,000 constant readers . . . living decently and comfortably and well . . . good customers this year and next year, *and every year.* Tell your story to these *responsible* people, whose favor and friendship mean prosperity for your product.

The Literary Digest *has shown that quality circulation does not necessarily come in small packages. By selecting its circulation from homes with telephones, it has grouped more than a million alert and active American families—proved responsive to advertising because their subscriptions were secured by advertising.*

Over 70% of its readers are executives, owners of businesses or professional people. The Digest *reaches 37% of all families with incomes of $10,000 and up. Its list of subscribers is a roster of ready buyers in the upper income brackets.*

For 1931, advertisers buy a guaranteed average circulation of 1,400,000 preferred prospects.

★ The Literary Digest ★

SOUNDING BOARD OF AMERICAN OPINION

"*The Literary Digest* is known to students of the publication industry as the sounding board of American opinion more than any other single periodical in the history of the nation. Its finger laid on the pulse of the people has registered time and again the one sure index to the state of the nation as a whole."

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The Retailing Plans We Need

(Continued from page 31)

few of the basic methods used, and in each of these classifications occur variations of policy that make anyone who studies the subject wonder as to which is a proper or improper method. The fact of the matter seems to be that any system that will survive in the present competitive field is a proper one as long as it deals honestly with its customers.

Free competition rules

THERE is no more reason for any governmental agency to tell one of its citizens what method of distribution he should patronize than there is a reason for telling one of its citizens whether he should proceed from Columbus to Cincinnati by automobile, railroad, or airplane. All methods of transportation will continue as long as there is a sufficient demand to keep the cost reasonable. When the cost is too high, the demand is reduced until the method must discontinue. So in distribution.

When a cost becomes burdensome, that form of distribution becomes unprofitable. Every possible kind should be encouraged because distribution means consumption of more raw material, more wages for production, manufacture, and distribution—more prosperity.

Unquestionably, installment selling has made possible the employment of tens of thousands of persons in our factories and has greatly increased the enjoyment of our citizens. A few years ago leaders in finance vied with one another in warning that with the first business difficulties, the pyramids built up by installment selling would fall and bury under their ruins those who depend on this method. The results of the past year have largely dispelled these fears. Because of this, I understand that a considerable movement is on foot to make installment paper subject to rediscount with the Federal Reserve Banks. American men and women seem to be able to manage their business and financial affairs satisfactorily, and the results of installment buying through this difficult period have been astonishing.

Distribution today has the attention of the large corporations of the country in equal proportion to its manufacturing problems. Methods will undoubtedly improve because studies are being made not from the standpoint of what the producer, the wholesaler, or the retailer desires, but what the public wants. As long as our distributive system may be developed on that basis, competition and the public will eliminate poor methods.

Government agencies can be very valuable in helping manufacturers and distributors know the facts with regard to customer demand, both as to kinds of goods and types of service wanted, and the cost concerned with both. Interpretation of these facts should be left to individuals and corporations without government help or interference. The many varied deductions will be a spur to the increase of distribution and production, and of more importance, to the initiative of our citizenship.



EWING GALLOWAY

Chicago's Merchandise Mart was conceived as an answer to several modern sales problems

Chinese Mail Needs Chinese Stamps

AMERICAN business men have learned much in recent years about the technicalities of foreign trade, but occasionally they slip up on small things. The particular, and exasperating, thing at this time is the practice of American business men of inclosing in their letters self-addressed envelopes for a reply. It isn't the envelopes that I object to, but what they put on and leave off them that I complain about.

In the first place it is a waste of time and money to put American stamps on an envelope intended for mailing on the western side of the Pacific. The Chinese post office insists upon Chinese stamps on all letters intended for mailing from that country to other parts of the world, including the U. S. A.

An American postage stamp is a useless luxury on such letters unless one wishes to put them in his pocket and then slip them surreptitiously into the mail box on some American steamer. They will accept them, but they don't like to because it may lead to a protest on the part of the Chinese Government, should some Chinese postal official find out about it.

Put "U. S. A." in address

MY other criticism of the self-addressed envelope many American firms slip in their letters is their failure to put the important letters, "U. S. A." in the lower right corner. The Chinese postal officials know where New York and Boston are. They know that envelopes containing the names of these cities are intended for dispatch to the United States and nowhere else, but when it comes to other and less well known (internationally speaking) towns, the Chinese post office usually sends the letter back with a rubber stamp mark, "Please Complete the Address."

I would, therefore, suggest two things to business men inclosing self-addressed envelopes: Don't put American stamps on them; and don't forget to put "U. S. A." at the end of the address.

"U. S. A." also stands for the Union of South Africa but that country does not bulk so large in Chinese correspondence as to cause confusion in the Chinese post office.

—J. B. POWELL.

HOW FILTERED AIR HELPS BROMO-SELTZER SOLVE THE THREE P's* OF FOOD AND DRUG MANUFACTURE





The Emerson Drug Company, Baltimore, Where Bromo-Seltzer is Made.



Clean Filtered Air for Home or Office
The American Airgard fits any window. Ventilates the room. Removes dust, pollen and bacteria from air that enters. Helps hay fever sufferers. Prevents diseases.

* PRODUCTION, PACKAGING AND PURITY

The Emerson Drug Company, makers of Bromo-Seltzer, have solved the problem of producing a drug product in quantity, producing it in absolute cleanliness and delivering it in that condition to the consumer. Rigid tests and analyses assure initial purity of ingredients. Careful control of air in all departments assures the maintenance of purity.

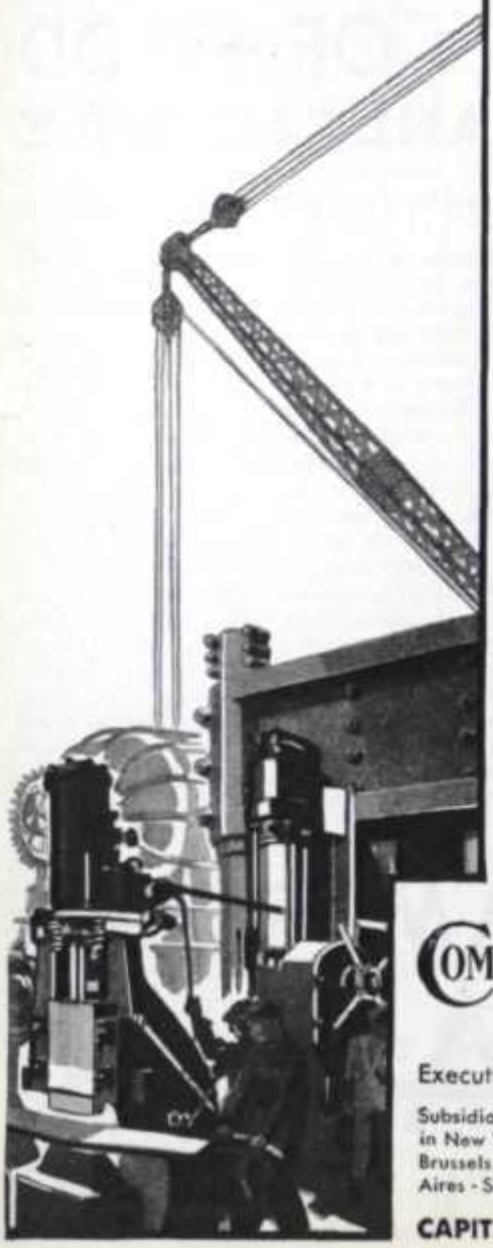
In the product drying ovens into which about 7200 cubic feet of air are drawn each minute, American Air Filters remove all dust from the air as it enters. In the bottle drying ovens, American Air Filters also clean the air, thereby assuring the carrying through of cleanliness to the consumer.

The use of American Air Filters by leading food and drug manufacturers, whose requirements are so rigid, is assurance to all manufacturers of the efficiency of these filters for all purposes—for general ventilation, for protection of machinery, for manufacturing processes. Send for free literature. Tell use in which particularly interested. No obligation. AMERICAN AIR FILTER COMPANY, *Incorporated*, General Offices, 166 Central Avenue, Louisville, Kentucky. Factories, Louisville, Kentucky, and Bradford, Pennsylvania.

AMERICAN AIR FILTERS

When writing to AMERICAN AIR FILTER COMPANY, INCORPORATED *please mention Nation's Business*

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Does your firm market a standard line of machinery or industrial equipment? If so, you are doubtless already making full use of deferred payment terms as a means of stimulating sales and broadening your market.

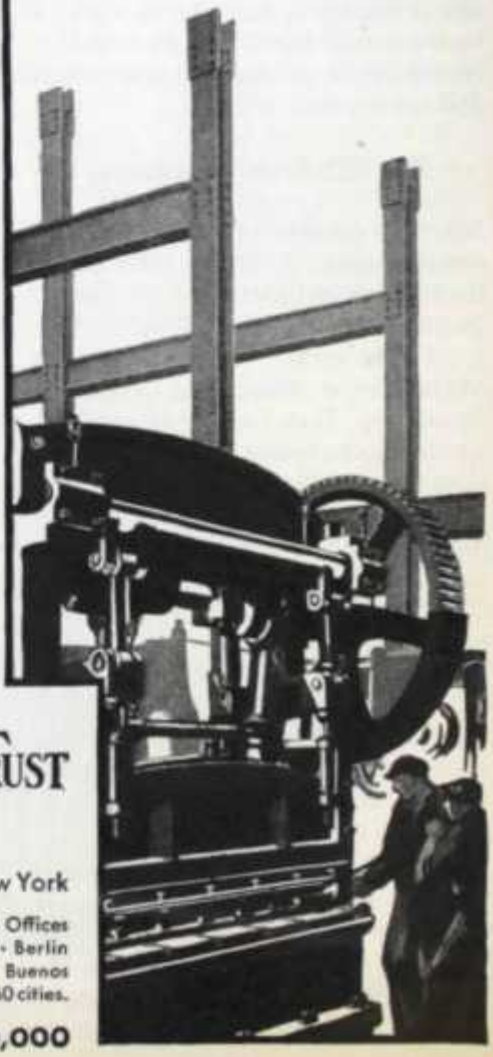
But have you kept abreast of the progress that has been made in the field of Financing Service? The C. I. T. nation-wide system of Local Offices (each a completely-functioning financing unit) is evolving new standards of speed and cooperation, covering the whole range of a time sale, from the preliminary credit investigation to the collection of the final instalment.

There is a C. I. T. representative in your territory—a trained finance man—at your call for a discussion, without obligation, of how your business might profit by C. I. T. Service.

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Machinery—Agricultural, Bakery, Bottling, Canning, Compressors, Conveyors, Dairy, Dyeing, Embossing, Laundry, Lithographing, Paper Making, Pattern Making, Pressing, Printing, Pumps, Saw Mill, Steel Punching, Textile, Turbines, Vulcanizers, Washing, Welding, Woodworking, X-ray.

Equipment for Contractors, Garages, Hotels, Restaurants, Theatres; Aircraft; Diesel Engines; Electric Light Plants; Refrigeration Plants; Ships and Barges.



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CAPITAL AND SURPLUS OVER $90,000,000

What Wall Street Is Talking About

By MERRYLE STANLEY RUKEYSER

THERE is increasing evidence that the worst of the business depression is behind us.

Since the hysterical December slump, the statistical indicators reveal that business has been holding the line, yielding no further.

Seasonal factors should soon join cyclical influences making for a larger volume of total trade.

The impulse for broad recovery will, it is believed, lead business men to the belief that it is now safe to build up normal inventories. At present, stocks of merchandise are distinctly low at retail and wholesale centers. This shortage has been in the making for months, as consumption outstripped drastically curtailed production.

With raw staples still drastically depressed and in many instances below a reasonable cost of production, the climb up the slope of economic recuperation will be no easy one. In the process there will doubtless be disappointing temporary slips backward. If the net trend is upward through the current year, it will be satisfactory. It is unlikely that business volume will reach any "normal" which allows for the growth factor, before early in 1932.

♦

THIS is an especially complicated depression, which requires careful treatment. It is likely that politicians will seek short cuts, consisting of inflationary measures. Inflation would act as a narcotic, which would give temporary stimulus, but it would be followed soon by an even greater letdown. The present generation remembers the behavior of the German, Austrian and Russian nations after the war under the stimulus of inflation.

Secretary Mellon vigorously attacked the proposal to pay immediate cash for the soldiers' bonus certificates as a distinctly inflationary measure.

The recent disease has consisted of the reverse of inflation—deflation. And such a brilliant economic scholar as Sir Josiah Stamp, knowing the hazards of reckless inflation, has advocated counter-deflationary moves, such as the double counting of gold reserves placed by central banks in the Bank for International Settlements.

♦

MANY financial authorities feel that the Federal Government might well reduce or suspend sinking-fund payments for debt reduction until normal business has returned. If Congress would authorize a sliding scale, the sinking fund could be used as an influential instrument toward stabilizing the business cycle. In times of economic excesses and boom, sinking-fund payments could be substantially increased to act as a brake. Conversely, in times of subnormal trade, they could be reduced or suspended. The effect of such a policy would be significantly to relieve business and individuals of the federal tax burden in time of depression.

Melvin Traylor, president of the First National Bank of Chicago, leans to the view that, though there might be inflation in undue federal spending for public works, there would be safety in adjusting sinking-fund payments.

In his recent speech at Dallas, Mr. Traylor, who, with Jackson Reynolds of the First National Bank of New York, helped to draw up the statutes for the Bank for International Settlements, said:

"I have never believed that the theory was sound that this generation should pay the entire burden of our participation in the past war.

"There is much to be said in favor of the argument that while we are prosperous we should pay heavily. But it seems to me now, when we are no longer in that state, we should so far as within law is possible, provide for a slower amortization of our debt, with a consequent lifting of the burden of taxation. In my opinion, this alone would contribute more to a restoration of business activity and cheerful confidence than any other single step which could be taken."

A similar policy was urged by the sagacious Paul M. Warburg, in his



PHOTO BY BOURKE-WHITE

Largest in the world is the banking room of the Union Trust, Cleveland



Longest straight banking room is the Northwestern National's, Minneapolis



Elements of Production in Abundance — In St. Louis

Raw materials, fuel, transportation, labor and ample banking resources —all the elements of production in abundance, are in St. Louis—the key city of the Central West. Hence many national manufacturers and distributors have established St. Louis plants and warehouses.

Because the First National Bank in St. Louis, has always made it a point to keep in step with the industrial progress in this great region, many forward-looking industrial executives have found the unique services of this large bank not only essential but helpful, to fully realize the great potentialities in America's industrial center.

We invite correspondence with business executives looking ahead

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For Displaying Maps, Charts, Blueprints, Photos, Advertising, Samples of Merchandise.



Like vertical loose-leaf book. Both sides of wings used for displaying a vast amount of material in compact space. Built of steel. Various styles and sizes. Write for catalog.

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Nineteenth Annual Meeting of the Chamber of Commerce of the United States

• Atlantic City, N. J. April 28 to May 1

The subject is:
"Business Leadership and the Public"

recent annual report to the board of the Manhattan Company, a report which in clarity of expression and profundity of analysis proved an economic classic.

"It may not be amiss," said Mr. Warburg, a former vice governor of the Federal Reserve Board, "to put forth the suggestion that if the issue of government securities, particularly when carried by banks and central banks, exercised—as we have seen during the war—an inflationary effect on prices, it follows that redemption of government bonds so held must have a deflationary effect. It is an interesting question, whether in times of extreme price declines, governments would not be well advised, so far as they are free to do so, to relax in the speed of their debt amortization."

The setting of the problem has a decisive bearing on the issue. An eminent economist and tax authority, who has frequently been consulted by the Federal Government, in discussing this subject with me, pointed out:

"We have reduced our federal debt more than twice as rapidly as we promised and planned in the sinking-fund provisions of the Victory Liberty Loan Act of 1919. The credit of the Federal Government was never better. Congress should place a fund of $500,000,000 rather than $115,000,000, at the disposal of a well devised federal agency, to be invested with wide discretion and with power to expend this fund not only in highway expansion and related public works, but in the purchase of governmental supplies and along any other line which promises to produce genuine public service, even in the far future, and does not involve a destructive interference with private business."

♦

THERE has been of late a sort of unscheduled debate as to the bearing of the gold question on the world-wide depression. Sir Josiah Stamp rates gold as a determining factor. Mr. Warburg takes the negative.

Among the 18 causes of depression, Sir Josiah lists "the great fundamental position of the total quantity of gold compared with the new volume of production."

The British economist adds:

"The question as to the future of gold supplies, though it may be seemingly important, in the long run has very little influence upon the present situation or the immediate outlook. What has mattered in the past three or four years has been the use to which the existing monetary supplies have been put in relation

to the credit which they are capable of supporting."

Evidently Sir Josiah especially referred to the flow of gold from London, Berlin and elsewhere to Paris and New York, and to the French backwardness in using gold for world credits and to the restrictive Federal Reserve policy before the collapse of the bull market.

Thomas W. Lamont, of J. P. Morgan & Company, in his address before the Academy of Political Science, listed the redistribution of the world's gold supply as a cause of the economic maladjustment.

In minimizing the effect of gold on world business, Mr. Warburg asserted:

"We might begin by expressing our entire disbelief in the thesis propounded by some leading writers, particularly in England, that a shortage of gold should be considered as the sole or principal disturber of general price stability. Suffice it to say that the science of economizing in the use of gold as a circulating medium, the art of concentrating gold in central banks, and of surrounding it with elasticity, have progressed so far, that it seems impossible to conceive that a moderate shrinkage in gold production could be held accountable for the unparalleled shrinkage in prices we are witnessing today.

"One's disbelief is strengthened by the knowledge that a little more than a year ago, with high money rates, we lived in a period of high prices, while with substantially the same aggregate amount of gold available to the world's central banks, and with easy money rates prevailing, we have now seen prices shrink to record low levels.

". . . . With the general plethora of money governing in 1930, we cannot seek the roots of depression in a shortage of gold, and even though a maldistribution of the yellow metal no doubt has added to the feeling of distrust and concern which has influenced both bankers and investors in keeping their funds in costly idleness, we may not overlook the fact that, insofar as banking plays a part in our present dilemma, the condition of the credit taker is of a more fundamental importance than that of the credit giver."

◆

ACCORDINGLY, it appears that the difference between Sir Josiah and Mr. Warburg is one of emphasis and degree, rather than a difference in kind. Both more or less accept J. M. Keynes' urging of something akin to a management of currency, in which central banking discretion will correct accidents of gold production and distribution. Both look



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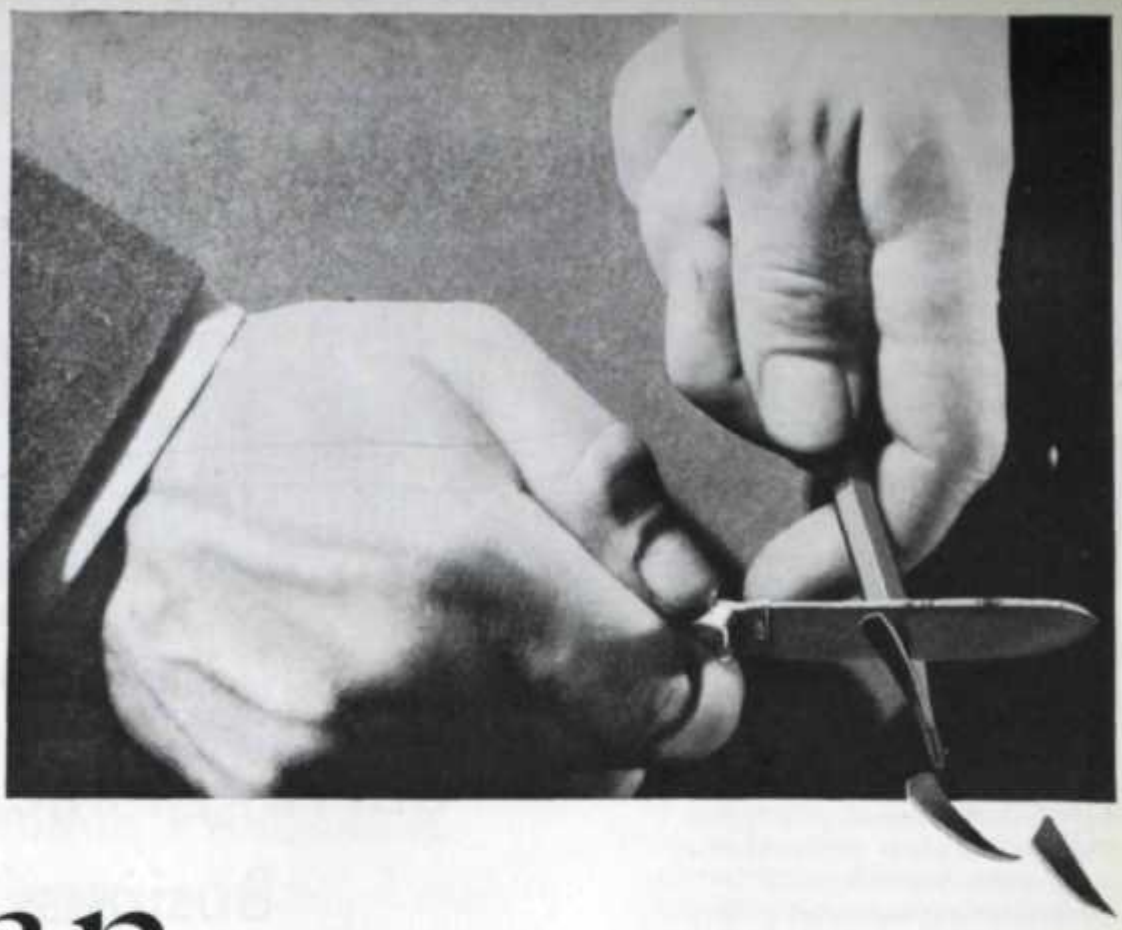
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That question is uppermost in the minds of many executives today.

This new marketing manual on the great New York State market suggests an improved *method of sales control.*

This book has just been published by the Marine Midland Group of Banks. It sets forth the nine natural economic units of New York State which comprise 12% of the nation's buying power. It reveals the opportunity for profitable and concentrated selling.

Sixteen banks throughout New York State compose the Marine Midland Group. These banks directly serve the territories which comprise the great majority of the State's business interests. Each bank has its own staff of officers and is autonomous in every way. Over 95% of the stock of all these banks is owned by the Marine Midland Corporation. Thus complete co-operation among all the banks is assured.

The officers and directors of these banks are

naturally familiar with thousands of businesses and business men. Therefore, these banks are in a unique position to serve any institution which sells in New York State. The manual exemplifies the extent of service which State-wide banking makes possible.

Book Lists Key Men and Firms

In addition to being a guide to the budgeting of sales and advertising expenditure, this manual lists jobbing firms handling consumer merchandise, and doing a majority of the business in their respective fields. It also lists the directors of all Marine Midland Banks with their other business affiliations.

How to get this book

All this information, plus a tested method of measuring sales opportunity, makes this 106-page manual, "Profitable Selling in America's Greatest Market," of definite value to companies interested in New York State. If, as an executive of such a company, you wish to receive this book, address the Marine Midland Group, Inc., 706 Marine Trust Building, Buffalo, N. Y.

THREE ECONOMICAL CUTS

A METHOD

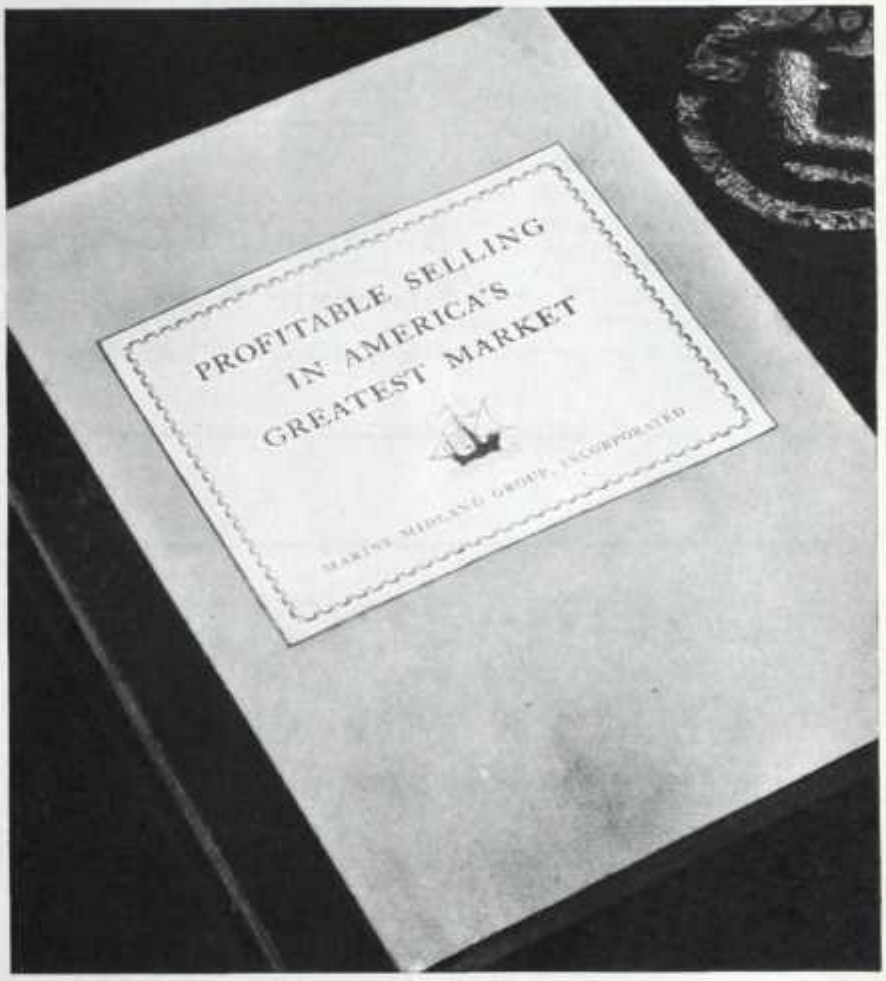
by which sales effort can be economically concentrated and effectively controlled.

THE FACTS

almost down to the last detail . . . the statistics and indices on which intelligent sales-planning can be based.

THE MEN

The names, addresses, and facilities of practically every wholesale distributor. Also, the roster of the directors of the Marine Midland Banks . . . together with a cross-index to the 975 businesses with which they are connected.



The 16 Banks in New York State that compose the Marine Midland Group are:

NEW YORK CITY	Marine Midland Trust Company
TROY	The Manufacturers National Bank of Troy
BINGHAMTON	Peoples Trust Company
JOHNSON CITY	Workers Trust Company
CORTLAND	Cortland Trust Company
ROCHESTER	Union Trust Company
ALBION	Orleans County Trust Company
LOCKPORT	Niagara County National Bank & Trust Company
BUFFALO	Marine Trust Company
EAST AURORA	Bank of East Aurora
JAMESTOWN	Union Trust Company
LACKAWANNA	Lackawanna National Bank
SNYDER	Bank of Snyder
TONAWANDA	First Trust Company
NORTH TONAWANDA	State Trust Company
NIAGARA FALLS	Power City Trust Company

Banks of the MARINE MIDLAND *Group*

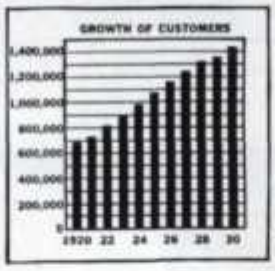
55,000 Customers Added in 1930



THE Associated System now serves 1,428,318 customers in 26 States, Canada, and the Philippines.

Service to domestic customers is little affected by industrial depressions. In the industry as a whole, this class used 14% more electricity in 1930 than in 1929.

Addition of three popular appliances, radio, range, and refrigerator, increases use of electricity in the average home by nearly 400%. During 1930, the Associated System sold 24% more electric and gas appliances than in 1929.



To invest, or for information, write

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▲

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upon the International Bank as a powerful potential instrument for keeping the economic ship on an even keel.

♦

AS FOR the French viewpoint, M. Moret, governor of the Bank of France, regards the influx of gold as a tribute to France's new financial strength and prestige. Unquestionably, francs, which previously fled from the country, have been repatriated.

M. Moret said that the large gold holdings placed a responsibility on Paris to become a great international lending center. He pointed out that the laws, which penalized foreign loans with taxes have been rescinded, but indicated that French investors and bankers nevertheless held back on account of disturbed political conditions and unrest throughout the world.

Of course, the traditional conservatism and inertia of the French banker are also factors in the deadlock.

♦

LOOKING upon the American situation, with the perspective of a friendly foreigner, Sir Josiah Stamp issued this timely warning:

"Recuperation must be gradual, but the patient must not do the things that would delay it. Above all we must avoid making a Stock Exchange boom and overvaluing the recovery, otherwise a series of painful setbacks will weaken real optimists."

♦

FRANK A. VANDERLIP, former president of the National City Bank, recently told me that he thought good-sized stock markets were ahead. He does not believe that the American public has lost its appetite for common stocks.

♦

RECENT expressions from a reactionary wing of bankers urging a letdown in the American standard of living seem stupid. The essential trouble is lack of balance between potential supply and demand. America is overequipped industrially for anything except a high and rising standard of living. Accordingly, the great need is to promote purchasing.

A declining cost is already acting in this wise direction. If fuller employment could be achieved with the existing scale of commodity prices, much progress toward restoring the economic equilibrium could be made.

And yet there is still a disturbing disparity between raw-material quotations and retail prices. This does not mean

The clear mind in business . . is free of debt worries



THE man who hits his job in the morning with a vim that shows he likes it . . . clear eyed . . . mind on his business . . . succeeding . . . isn't worrying about bills.

Not necessarily lucky, that man. He isn't exempt from the financial misfortunes and emergencies that are liable to visit anyone.

He may have an unexpected assessment on his property, or doctor and hospital expenses to pay, or an unusually heavy accumulation of bills.

Yet he is smart enough to keep his brain and credit clear by paying on the dot, even if he must borrow to do it.

The laws of this state have helped to serve him and hundreds of thousands like him by fixing a maximum rate on small loans that is not only fair to him but that permits efficient family finance companies to operate at a reasonable profit.

He need pay even less than the rate stipulated by law, if he goes to Household, America's foremost family finance company.

It is a policy of Household to charge the lowest rate at which money can be "retailed" at a fair profit. At present its rate is almost a third less than that allowed by law on amounts above $100 and up to $300. It will continue to return to the public every added advantage of reduced operating costs accomplished through large volume and efficient management.

Its dealings are on the same dignified and fair basis as one may expect at any bank.

More, Household sincerely concerns itself with family financial problems. A booklet, *Money Management for Households*, helps to keep family heads clear of debt worries, thus insuring clearer minds in business.



Employers are invited to read this booklet and then ask for copies to distribute throughout their organization. All may have a copy by simply telephoning, writing, or calling.

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Headquarters: Palmolive Building, Chicago, Illinois
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NBC

Turn the dial to your NBC Station every Tuesday night at 8:00 Central Time and be a guest of the Household Celebrities, featuring America's foremost stars of the opera, concert, and stage, as well as leading thinkers in affairs of national importance.

Campaign aids employed and employer

Those who pay wages as well as those who receive them are benefited by the financing service described in this advertisement. By relieving wage earners from worry, such loan service enables them to do better work. This advertisement, appearing in newspapers of four and three quarter million circulation, is the second of a series that will be published throughout 1931 to further prosperity and bring about a better understanding of the economic importance of small loan financing.



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gets instantaneous response!

STABBING through space with lightning-like speed, DICTOGRAPH carries your voice from one office to another and brings back an immediate response. A sensitive microphone, embodied in the instrument, picks up your message . . . the answer comes to you from a clear-toned loud speaker. Thus DICTOGRAPH injects the speed and ease of radio into inter-office communication . . . relieves your switchboard of "inside" traffic . . . saves precious time and effort. It will take only a few moments to show you DICTOGRAPH in actual operation on your desk—at no obligation to you. Consult your telephone directory for our address in your city. Or write direct to DICTOGRAPH PRODUCTS CO., INC., 224 W. 42nd St., New York, N. Y.



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If you have a production or development problem "Take it to Taft-Peirce" where experienced heads and skillful hands are ready to help—economically and efficiently.

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And NOW Your Choice of Colors

For more than a quarter of a century Rundle-Spence drinking fountains have been accepted by the architectural profession as standing at the zenith. R-S fountains have been the living acceptance of all that is aggressive . . . all that is fitting to changing creations . . . all that is strictly in keeping with scientific sanitation. But Rundle-Spence does not stop with these. R-S drinking fountains are now available in colors to fit any color scheme you may wish to follow.

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LIPS CAN NOT TOUCH THE R-S NOZZLE



that retailers are profiteers. On the contrary, many are experiencing great difficulty in making both ends meet. The remedy lies in radically reducing distribution costs through applying the same inventive genius to distribution which has already been applied to production.

For years, productive efficiency has run ahead of distributive economy. The disparity foreshadowed a breakdown, which was deferred for years by huge exports, artificially stimulated by foreign loans and by highly exploited domestic purchasing power, which was projected a year ahead by the device of instalment selling.

By June 1929, both of these expedients had spent their force. Now fortunately many American consumers have made progress in paying their instalment debts and are about off the hook, ready to make fresh commitments.

♦

STATISTICALLY, recovery is due, if not overdue. After making an exhaustive study of the behavior of the statistical indicators in past depressions, Dr. Fred R. Macaulay, of the National Bureau of Economic Research, concluded:

"Rising prices for high-grade bonds have in the past generally forecast business recovery some months in advance.

"The length of time since the prices of high-grade railroad bonds reached bottom (September 1929) is already greater than the average lag before the beginning of business recovery.

"While it is no part of the work of the National Bureau to make forecasts of business conditions, it seems eminently proper to summarize the results of investigations of past experiences. With a very considerable range in the time of lag and with a number of actual exceptions as to even the order, certain financial factors tend to turn before a turn in general business. First, a peak is reached in call-money rates, then a peak in time-money rates and commercial paper rates, then a peak in the yield of high-grade bonds, then a peak in the yield of second-grade bonds, then a low in stock prices.

"When this sequence has been completed, business recovery, as measured by bank clearings, pig-iron production, etc., is generally not many months away. Sometimes business recovery begins before the above sequence is completed.

"At present the action of second-grade bonds and common stocks in making new lows (in December) is the uncertain element of the situation. On the other hand, if business recovery were to be delayed very many months, the lag

after the peak in call money, time money, commercial paper and high-grade bond yields would be unusually long."

♦

IN CHIDING parts of the public for undue abstinence in spending and excessive saving, Waddill Catchings, banker, and William Trufant Foster, the economist, who is his literary partner, insist that a high standard of living in the United States is not only feasible but economically necessary.

"One cannot help noticing," they point out in the February *Forum*, "that it is never their own standard of living which the bankers propose to reduce. It is always the standard of living of the rank and file of the wage earners. Or, if any banker does contemplate a lower level for his own family, it is a level far above the highest level ever reached by 90 per cent of American families. Even so, we should have to agree with these bankers if the United States were unable to produce enough wealth to maintain consumption at the level of recent years.

"But—we repeat—the United States is abundantly able. Not once since the war has our consumption of wealth even approached our capacity to produce wealth. Not once have we reached the standard of living which is readily obtainable."

♦

PERHAPS business in the next decade will proceed on somewhat nearer the present price level than on the higher plane which prevailed before the panic.

The prudent executive, instead of waiting for some one to hand him salvation, has been accepting the mandate for greater economy and efficiency, and finding ways to accumulate profits under conditions prevailing with a low commodity price level.

♦

IN CONNECTION with the urge radically to reduce distribution costs, James L. Palmer, marketing specialist of the University of Chicago, has indicated that elimination of half of the 1,500,000 retail establishments in the United States would reduce the present toll on consumers.

♦

AN EXPERIENCED financier recently told me that he avoids securities of companies in which only officers and employees are directors. Boards so constituted, he feels, are likely to consist of dummies and "yes men." They also lack the stimulus of an outside viewpoint.

The TRUTH about NEON

Q. Is *neon* the name of a person, or a product controlled by any one person or company?

A. No. *Neon* is a free gas, like oxygen and hydrogen. The name *NEON*, given to this gas at its discovery, is taken from the Greek word *NEOS*, meaning *new*.

Q. Where and how is it obtained?

A. *Neon* is one of nature's gases. It is extracted by electro-chemical process from the air. Out of each million parts of air, fifteen are *neon* gas.

Q. Then the belief that *neon* is the property of monopoly is wrong?

A. Yes. *Neon* is not subject to special ownership or patent. Nor does Flexlume pay royalties for its use.

Q. Who first found this gas?

A. *Neon* was discovered in 1898 by Sir William Ramsay and Travers, English scientists.





Reaching over 110,000 people every day at a cost of 7 cents per thousand, this striking Flexlume neon roof display gives you an idea as to how effective and economical Flexlume electrical advertising really is.

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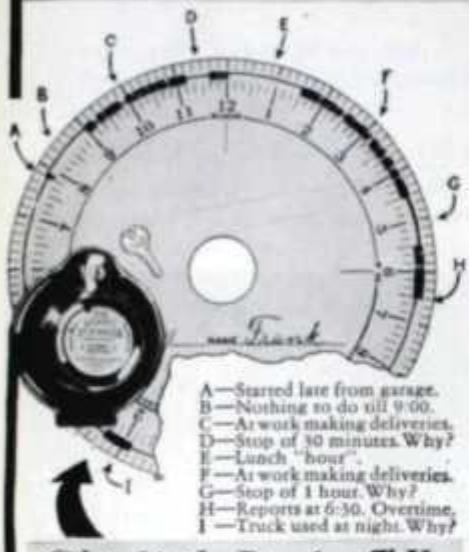
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Save $500 per truck per year

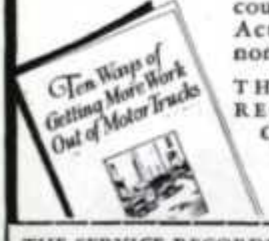
Motor trucks are expensive to operate. The running time of a truck costs from $3 to $5 an hour! That's why delays, *avoidable* delays, are so costly. Half an hour per day *avoidable* idle time easily costs you $500 per year. It's a big loss. That's why over 70,000 trucks are already *Servis Recorder* equipped.

These delays STARE out at you

When you can actually *see* these delays, you can stop them—easily. How?

THE SERVIS RECORDER

It's a fascinating story, but too long to tell here. The coupon brings it. Act today; that's none too soon!



THE SERVICE RECORDER CO.
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Write for it TODAY!

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Please send us, without obligation "10 Ways of Getting More Work out of Motor Trucks."

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Change—the Great Competitor

(Continued from page 17)

legion, blast furnace slag is now used in the manufacture of cement. A by-product of baking powder is used as a binder material in building construction. Possibly the meat packers provide the classic example of the prevention of waste. Now that the court decree which kept them out of the retail food and meat trade has been modified, wholesalers of those products face a sharper edge to competition.

The courts, legislatures, and governments all have a hand in revising the economic pattern. They introduce the "X" factor, the unknown quantity, into the business equation. It is one thing to know about the existence of their modifying influences. It is quite another—and far more important—to have at hand the interpretation of their meaning to business.

The recovery of greases and animal foods from garbage puts a changed accent on thrift. Cheap fertilizer filler is also produced from this waste. Where change is the rule, it is easy to believe that city dumps will be able to match the reduction of refuse with the reduction of taxes.

Changes in the ideas of "farm relief" are more or less apparent on the agricultural front. Arthur Little, Inc., chemists and engineers of Cambridge, Mass., have reported frequently on the industrial utilization of agricultural wastes. No one seems to know the tonnage. Estimates range from 500,000 to one billion tons a year. These wastes include cereal, flax and rice straws, sugar cane, bagasse, cornstalks and cobs, oat and peanut hulls, cull potatoes and lemons, beet sugar residues, and fruit pits and skins.

Many of these wastes are so closely related chemically to products in wide demand—such as starch, alcohol, paper, pyroxylin lacquers, rayon and several types of building materials—as properly to focus attention on ways to recover potential values yet unrealized.

Naturally there is a broad divergence of opinion over the economic possibilities. Some views see a deterring limitation to profitable reclamation; others profess to see great wealth through conversion of many familiar by-products.

However, it is evident that "idea men" have been sharpening their pencils and figuring on ways to turn waste into money. These change makers have transformed wheat straw into corrugated board for shipping containers, made cellulose from cornstalks, converted sugar cane bagasse into building board, derived insulating material for houses from the straw of seed flax. They have worked peanut hulls into fibrous filler for building materials, recovered starch from potato culls, wrested cooking oils from cotton seed, and won citric acid, lemon oil, and pectin from lemon culls.

Farm wastes make money

IN THE Middle West much thought and energy are given to the wealth latent in the waste material of corn and wheat. Get out the cellulose, and there is the stuff of which paper and rayon are made.

Furfural—used in plastics and varnishes—is produced from oat hulls and corn cobs. Pectin for jellies is now extracted from apple cores and skins which canners formerly threw away. Alcohol and glycerine are now recovered from molasses formerly dis-

Where Business Will Meet in March

DATE	ORGANIZATION	CITY
3-4	New England Retail Clothiers & Furnishers Association	*Boston*
10	National Flower Growers Association	*Cincinnati*
10-12	American Railway Engineering Association	*Chicago*
10-12	Institute of Scrap Iron and Steel	*Cleveland*
10-12	Oklahoma Utilities Association	*Oklahoma City*
16	American Society of Bakery Engineers	*Chicago*
16-21	International Flower Show	*New York*
17-19	Texas & Southern Cattle Raisers Association	*Corpus Christi*
18	National Association of Waste Materials Dealers, Inc.	*Chicago*
18	United States Beet Sugar Association	*Washington, D. C.*
19-20	Millwork Cost Bureau	*Chicago*
24-26	Virginia Wholesale Grocers Association	*Richmond*
27	Alabama & Florida Turpentine Producers Association	*Pensacola*
30	American Chemical Society	*Indianapolis*
31	Signal Appliance Association	*Chicago*

carded by sugar companies. The chemists change the fate of old industries and create new ones while you wait.

If your business is at all concerned about its life extension, it is worth while to brush up your own ideas daily, and see a "new idea" man at least twice a year. On all fronts industry is pushing forward to find new markets for staples and broader uses for by-products.

Look at the glass makers. They have widened sales by changing their traditional lines. Now they are making containers for the packing industry, glass pipe for the chemical industries, glass coal chutes, and insulating and heat resisting products in competition with porcelain and mica. Glassware for cooking, and non-shattering glass for automobiles are no longer novelties, and glass bricks for building are beyond the laboratory stage.

Rayon, too, has worked many changes. It worked a profound effect on cotton textiles, revising markets and methods of manufacture. It stimulated the maker of wood fiber to develop a new and highly purified product as a substitute for cotton rags used in paper making, and for the use of rayon manufacturers in place of cotton linters. The cotton textile people levy on expert minds to turn up new uses for cotton cloths.

Wood meets its competitors

WOOD is embattled on many fronts, but shows a determined resourcefulness in meeting its competitors—patent wall board; rubber, bakelite, and other plastics for handles; asphalt and asbestos shingles, and tarred paper for roofs; brick veneers and stucco for side walls; gypsum blocks and steel posts and sills for the place held by lath and wooden studding; concrete for flooring; sheet metal for furniture.

It is true that competition's other name is change, and necessity is the mother of progress. Witness the makers of rubber tubing who were about to lose piano makers as customers. The tubing cracked and rotted too quickly. Its makers found an antioxident that increased its life ten times, and the market was held. Germany, rich in coal but poor in petroleum, contrives a motor that uses pulverized coal for fuel. Londoners complain of noise and a rubber-coated street is laid down, cutting the din 30 per cent.

Change is as American as baseball, yet even that national characteristic is put in a new setting by flood-lighted fields for night schedules. The blacksmith's forge gives way to automatic



Is *he* sharing *your* Melon?

IN many a business, the bogey of Unseen Losses is reaching out for his fat share of the profits. Sales, collections, warehousing, manufacturing, distributing, management . . . every phase of industry pays tribute.

Are *you* paying dividends to him because your present method of record keeping fails to expose automatically the vital facts that keep Unseen Losses out of your profit column?

Globe-Wernicke

VISIBLE RECORDS WITH

Automatic Control

Makes possible for the first time, the *automatic* exposure of these facts. Now you, through its application, can eliminate the unseen losses that shackle the earnings of your business.



Book Explains Fully . . . Ask for it

Our new book, "Modern Business Control" cites experiences that executives have had with Globe-Wernicke *Automatic* Record Control. We shall be pleased to show you how this can be applied to your business. You will be under no obligation. Write for a copy of the new book "Modern Business Control." GLOBE-WERNICKE, Cincinnati, Ohio.

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Showing furnaces and part of system for circulating drying medium through a large Coe Dryer recently installed.

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4 Trainloads of water *per day*

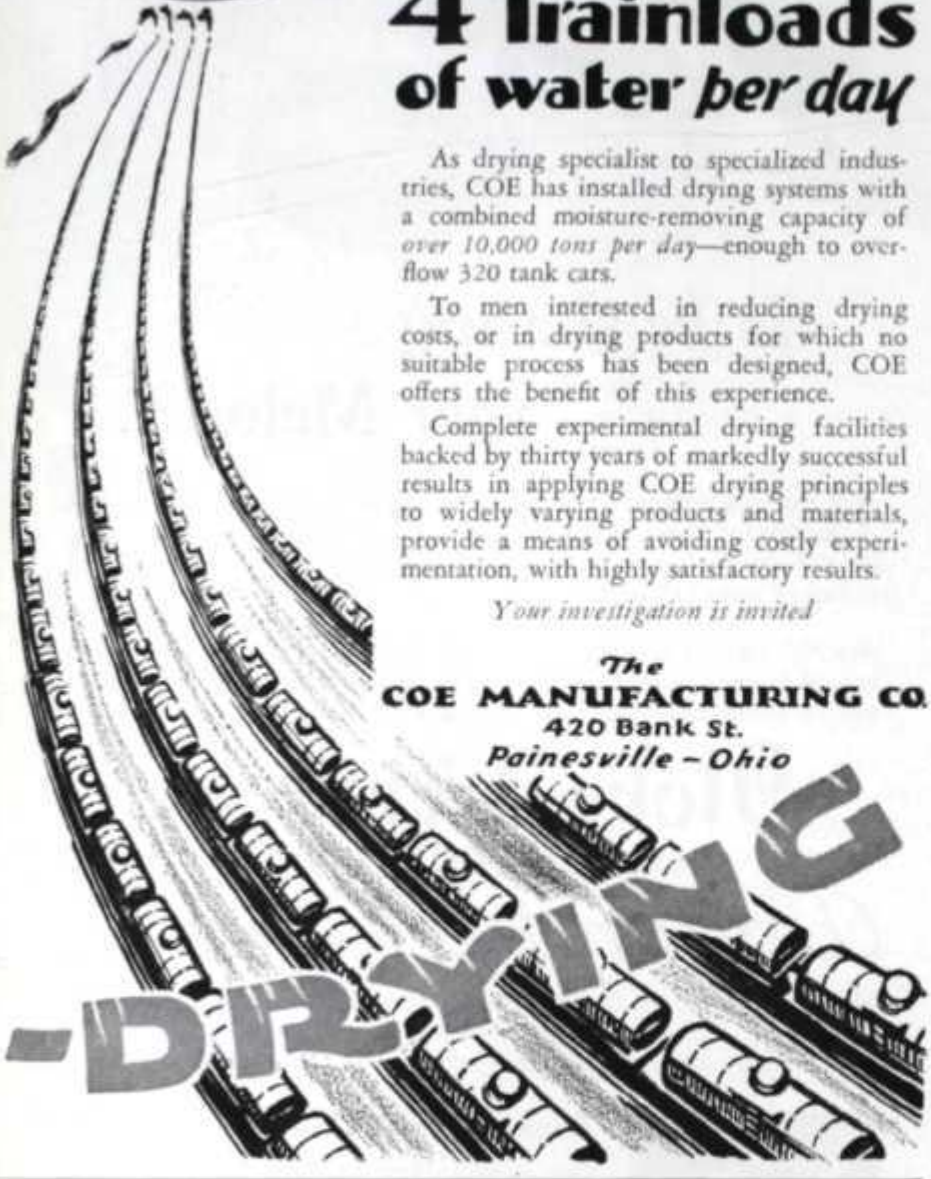
As drying specialist to specialized industries, COE has installed drying systems with a combined moisture-removing capacity of *over 10,000 tons per day*—enough to overflow 320 tank cars.

To men interested in reducing drying costs, or in drying products for which no suitable process has been designed, COE offers the benefit of this experience.

Complete experimental drying facilities backed by thirty years of markedly successful results in applying COE drying principles to widely varying products and materials, provide a means of avoiding costly experimentation, with highly satisfactory results.

Your investigation is invited

The
COE MANUFACTURING CO.
420 Bank St.
Painesville – Ohio



welding. New sorts of flame resisting cloth and paper appear from time to time, and metallized paper has been produced abroad. Synthetic or regenerated leather from leather scrap has been produced abroad for hat bands and luggage, and foreign interest in fabric bodies for motor cars once carried a threat to American business, as the motor industry's consumption of 19 per cent of the domestic steel output readily suggests. Improvement of metal bodies checked the change.

It is commonly observed that patents and processes are the key to industrial leadership. Market security sometimes comes by way of finding a voice for special pleading—as the toy industry did when it got the "mamma" doll to speaking throughout the land. Before 1925, Germany supplied most of the toys for American children. Two years later native inventiveness and salesmanship had captured the domestic market and were exporting in volume.

Quick-setting cement grew out of the need to cut the time on highway construction. Half a dozen American companies saw opportunity in this necessity, and their brands are on the market. Pressure on high value space in metropolitan business areas gave birth to companies specializing in the manufacture and distribution of steam. Space for coal bunkers, boiler rooms, and chimneys is released for revenue.

A profit in making waste

THIS promptness to accept opportunity has examples without end. For one, the brilliant success of Cason Calloway in building a great business from cotton waste. Employees of his father's textile mills had frequently suffered injuries to their hands by using cotton waste to wipe machinery. The laboratory prepared a wiping cloth with the waste material. A national survey revealed that 10,000 industrial plants needed such a cloth. Some could not install their own laundries. The Calloway mills agreed to provide service through local laundries. A dollar and an idea founded the Valley Waste Mill. Half a dozen other enterprises have issued from it. Last year they did a business of more than nine million dollars in tire fabrics, cotton trousers, and duck cloth.

Another industrial footnote is daily on view in the dull finish of women's stockings. Not so long ago, women began to turn their silk stockings inside out. They said they liked the lustreless side for a change. Some manufacturers immediately bowed to this whim of fashion, and turned to harder twist yarns.

SIXTH BIENNIAL CONGRESS

The International Chamber of Commerce will meet in Washington, D. C.

MAY 4 TO 9, 1931

For particulars as to registration and program address the American Section, International Chamber of Commerce, 1615 H St., Washington, D.C.

But the new stockings shrank more, and that made a problem for the laundry owners. They put it up to the American Institute of Laundering, and a new method of washing was developed. A caprice of fashion, a new product, a new problem—a chain of changes affecting one business by its influence on another.

The idea of providing gas to rural dwellings got nowhere until chemists captured the butane and propane which escaped in the manufacture of gasoline. Waste gases once, they are now put in steel tanks and distributed to consumers who have no access to gas mains. The long distance piping of natural gas is itself a change that has come in the last two years. Before the perfection of new welding processes, a 250-mile pipe line was about the maximum. Now distribution 1,300 miles from the source has been achieved. Manufacturers of steel sheets and tubes have been quick to get in the market. One of the first to realize the possibilities was a famous maker of automobile frames.

What these underground carriers mean to the railroads in loss of traffic in oil and gasoline no one seems to know. Now there is talk of using them for moving pulverized coal.

Knowing the public's mind before that mind is made up has been the salvation of many a manufacturer. Johns-Manville put its faith in asbestos shingles, but its managers sensed a growing demand for asphalt shingles, and so put them in production to fortify its sales position. The National Lead Company's record also accents the virtue of industrial flexibility. Sales to paint makers never tested plant capacities. Radio batteries once accounted for 10 per cent of the sales. Electric sets cut into the market. A new outlet was found in storage batteries for industrial trucks and delivery wagons.

Silver has competition

IT MAY be that the depression was the salvation of pewter, for it is generally evident that many dealers in solid silverware have added pewter ware to their lines. In the industries silver faces ingenious competition from other metals—nickel, monel metal, and chromium, to name a few.

No industry, perhaps, pays more devoted tribute to the spirit of change than the automobile business. At this year's show it displayed a fresh bag of novelties—air foil fenders, double and down draft carburetors, fuel pumps instead of vacuum feed.

What does it all mean on the balance



He feared to look the calendar in the eye

A fight against time. A business program to be made foolproof . . . so that he might enjoy Europe with his wife and daughter, his own mind worry-free. Meanwhile, too much to do, and too little time to do it. Contracts, board meetings . . . all day long. Then half the night . . . guide books. The best steamship line? Southampton or Havre? Reservations in advance? How? Where? When?

Haunted by unfamiliar details, he feared to look the calendar in the eye. Then one hectic morning the light broke through. He gathered up a hat-full of pencilled slips of paper. "Here," he said to his secretary, "take these and get answers."

She did. She knew how.

It was a rough sketch of his travel dream . . . that she took over to the American Express travel office.

Then in a few days came the answer. The stateroom number on the best boat—sailing date—pier number—itinerary—who would meet him at the port—the best trains—short-cut airway connections—hotels and rates—local sightseeing trips—port and steamer for the return passage—the amount of Blue Express Travelers Cheques in their most useful denominations.

It was a ground plan of his longed-for tour. He took it home. A few modifications in the program and the job was ended. His mind was free.

This man knew his business and he discovered that the greatest of American Travel Companies knows its business. The two met—one with a need—the other with experienced men to meet that need—and an organization in foreign lands to carry on its responsibility to the finish of his tour.

This service is available merely by writing or calling at any American Express office, or 65 Broadway, New York City.

AMERICAN EXPRESS COMPANY

WORLD SERVICE FOR TRAVELERS



When writing to American Express Company *please mention* Nation's Business

Reduce YOUR Bearing Costs Increase their Life

If your company uses bearings, as part of the equipment you build or for maintenance, you owe it to yourself to have the facts on

"SABECO"
REG. U.S. PAT. OFF.
BEARING METAL

It is a bearing metal made by a process in which the virgin copper, tin and lead are so compounded that the bearing becomes proof against burning, scoring, seizing, corroding or pounding out.

It costs nothing to have the facts.

Send for them.

Fredericksen Co.

841 S. Water Street
SAGINAW, MICH.

5-108 General Motors Bldg.
DETROIT, MICH.

Room 418 E.
30 Church St.
NEW YORK CITY

634 Slater Bldg.
WORCESTER, MASS.

27 S. Jefferson St.
CHICAGO, ILL.

194 Fourth St.
MILWAUKEE, WISC.



sheets? Well, one manufacturer reports that 2,000 of his new 16 cylinder cars were sold in nine months, and another announces that his free wheeling feature raised his car from tenth to fifth in sales volume.

Possibly the motor makers have taken their cue from one of their own great change makers. It was Charles F. Kettering, head of the General Motors Research Laboratories, who said:

"There is no place where you can sit and rest in an industrial situation. It is a question of change, change, change, all the time. Don't try to make progress in steps. It won't do. You have to keep in phase with the times. . . . You can't stop the thing called progress, but you can get in harmony with it."

This keeping "in phase with the times" has invited the attention of a national financial service. It ticks off the new props to our standard of living with this staccato recital of progress:

Natural gas and pipe line developments; a radio crime service which will send an automobile instantly speeding to the source of crime; frozen foods; dry ice; greater use and development of electrical power; the airplane industry; film phonographs; rustless metals; smokeless fuels; heating by radio; artificial ventilation, humidified indoor air; the electrification of railroads; centralized heating and cooling systems; central newspaper plants, flashing newspaper pages by television across the country; electrically made steel, electric welding; the practical development and application of television; steel edifices instead of brick; the use of glass brick; the use of chromium, copper, bronze, aluminum, rustless steels for building exterior; steel constructed residences; low cost standardized houses manufactured and distributed by mail-order houses in parts; steel floors in construction, surfaced with tile; ice engineering with the control of climate evils; electric ships; the welding and fabrication of steel floors for tall buildings, with weight much less than at present; windowless structures; artificial lighting rich in violet ray; the cooling as well as heating of home and offices; new and improved processes for the manufacture of wrought iron, steel, etc.; the practical use in countless directions of the photo-electric cell; and a thousand new inventions and developments for greater uses of electricity, are among the things to which the genius of the nation is being applied in the great research laboratories.

The ruling determination of the American people to go forward is crisply sermonized in making a rut an accelerator rather than a brake on progress. On the Queensboro bridge between Manhattan and Long Island it is planned to construct artificial ruts to keep the heavy stream of motor traffic in line. Even a rut has its redeeming quality if there is the vision to see it as a new channel of national progress.

stability reputation responsibility

Stability – established business standing–corporate responsibility – these are demanded by the buying manufacturer of today.



FOR thirty years manufacturers of gasoline powered machinery have bought Continental engines with utmost confidence—a confidence bred of Continental's reputation for undivided responsibility to the manufacturer.

Continental is now serving nearly 250 manufacturers in 25 different countries the world over.

CONTINENTAL MOTORS CORPORATION

Offices: Detroit, Mich., U. S. A.
Factories: Detroit and Muskegon

Continental Engines

When writing please mention Nation's Business

You Are Expected to Avoid Payment of Taxes

(Continued from page 22)

preciation, provided the firm is liquidated. If reorganization is contemplated, the stock must be sold to obtain the deduction.

A harassing problem is how to charge off bad debts and get credit for them in the tax return. The Government rules that a debt is bad and may be charged off when the prospect of collecting it is entirely gone. A man had a large number of doubtful accounts. A corporation was formed. He was not a member of it. He sold the debts for far less than face value and was allowed the deduction. There was no question that it was an outright sale.

Too much technicality

ON the other hand, a large taxpayer claimed a deduction for $3,000 owed him by a friend who had died. He showed the officials a newspaper report of the death in a western state. He showed them letters he had written asking for payment and letters he had received saying it was impossible. The officials instructed him to obtain a death certificate. The authorities wrote that death certificates were not issued in that state. The claim was not allowed.

"I have never been contentious about my returns and perhaps overlooked deductions that I might have made," he said, "but from now on I'll be getting my $3,000 back."

When officials get too technical, the taxpayer may get that way, too.

The most popular form of tax avoidance on income from corporations is through issuance of stock in lieu of cash dividends. In the amount involved this question is bigger than all the rest. The law provides a penalty for any corporation that builds up a surplus beyond the reasonable needs of the business to avoid income tax. But it is difficult to prove that the surplus is accumulated to evade taxes and equally difficult to determine the reasonable needs of business in the future. However, to avoid the charge of an excessive surplus, which carries a 50 per cent penalty if sustained, there have grown up what are called "Section 220 cases." These are corporations formed in Newfoundland to take over corporations in this country. Newfoundland has no income tax law. The surplus in possession of hold-



"Office Shell-Shock" has got poor Harris

THEY call him a grouch. Hard boiled. His office boy makes faces at him behind his back. Clerks quake and tremble when he goes by.

But Harris isn't a bad fellow, really. He's suffering from "office shell-shock."



The deep perforations in Acousti-Celotex permit repeated painting with any kind of paint. Acousti-Celotex units are quickly applied to your present ceilings. No remodeling is necessary.

And he's not the only one. Countless executives and their employees struggle through nerve-racking days to the tune of jangling telephones, clattering typewriters, hideous street din, a constant buzz of talk.



*"In our old quarters" states L. H. Baker of the Michigan Millers Mutual Fire Insurance Company, Lansing, Michigan, "the din and confusion made it difficult to concentrate on one's work or carry on a conversation. In our new offices, the Acousti-Celotex ceilings control noise so well that telephoning is easy and conversation can be carried on in low tones. The cost of the Acousti-Celotex has been more than paid by decreasing errors and lessening nerve strain."

Wise executives have put an end to this costly distraction.* They have soothed jumpy nerves and increased the output of work, by applying Acousti-Celotex to the ceilings of their offices.

Acousti-Celotex is an attractive fibre tile that is quickly installed in old or new buildings. Permanent. Easily cleaned. Can be *painted repeatedly with any kind of paint* without loss of sound deadening value.

It will bring to your office an impressive atmosphere of quiet dignity. It will increase the comfort and productiveness of your entire staff. Send for details.

The Celotex Company, 919 North Michigan Ave., Chicago, Illinois. In Canada: Alexander Murray & Co., Ltd., Montreal. Sales distributors throughout the World. Acousti-Celotex is sold and installed by Acousti-Celotex contracting engineers.

ACOUSTI-CELOTEX

FOR LESS NOISE—BETTER HEARING

The words Celotex and Acousti-Celotex (Reg. U. S. Pat. Off.) are the trademarks of and indicate manufacture by The Celotex Company

When writing to The Celotex Company *please mention Nation's Business*

Insull Utility Investments, *Inc.*

Corporation Securities Co. *of Chicago*

THE investments of Insull Utility Investments, Inc., and Corporation Securities Co. of Chicago, are almost exclusively in public utility companies in whose direction they have direct, intimate and authoritative participation.

This relationship is doubly advantageous. The very existence of Insull Utility Investments, Inc., and Corporation Securities Co. of Chicago, by the extent of their investments and through personalities, gives strength to the operating and financing companies whose securities are held, by assuring continuity of well-learned and well-tested practices and policies, and competent and experienced management in such companies; also, the interests of Insull Utility Investments, Inc., and Corporation Securities Co. of Chicago, are represented and safeguarded through their participation in the direction of the companies whose securities they hold.

Securities of Commonwealth Edison Company (Chicago), The Peoples Gas Light and Coke Company (Chicago), Public Service Company of Northern Illinois, Middle West Utilities Company, and Midland United Company, constitute directly or indirectly more than 90 per cent of the holdings of Insull Utility Investments, Inc., and Corporation Securities Co. of Chicago.

Stocks of Insull Utility Investments, Inc., and Corporation Securities Co. of Chicago are listed on The Chicago Stock Exchange and traded in on the New York Curb. Booklet* NB4, *describing these companies, and companies whose securities they hold, will be sent on request.

Insull Utility Investments, *Inc.*

Corporation Securities Co. *of Chicago*

72 West Adams St., Chicago, Ill.

ing companies, therefore, is out of reach of taxation.

When a few individuals own and operate a corporation the salaries they pay themselves are expected to absorb largely what otherwise would be net income. Good business suggests the avoidance of a tax of 12.5 per cent on the net income of a corporation by substituting a tax of probably two per cent on individual income. There is no objection to liberal compensation as an offset to the net income of a corporation. An ingenious arrangement was recently brought to the attention of the Board of Tax Appeals. A corporation head paid his wife a liberal salary as compensation for entertaining "business guests" in their home. It was recognized as a proper deduction.

A concern needing additional capital will consider how the situation will be affected by taxes. Suppose a million dollars is needed. Should preferred stock be issued with the idea that it will pay seven per cent, or should seven per cent bonds be issued? Stocks produce income. Bonds yield interest. Income is not deductible. Interest is deductible. The difference between the two is the difference between income received and interest paid, for tax purposes.

The man who fails to take advantage of every opportunity to avoid taxes conceivably does himself an injustice. That it is expected of him is illustrated in a Texas oil case. An unincorporated joint stock company was organized to develop certain oil lands. The company was dissolved and its assets conveyed to the defendant as trustee with absolute control for the periodical distribution of its income. It was admitted that the principal motive in creating the trust was to lessen federal tax liability. With respect to this feature of the case the Supreme Court said:

"It is the opinion of this court that the right to change the status of an organization, or to dissolve an organization in any legal manner, is not made ineffectual because the motive impelling the change is to reduce or avoid taxation. The right to do so is an incidental right, inseparably connected with an individual's right to own and control his property. It is practically identical with the sale by a citizen of tax burdened securities and the investment of the proceeds thereof in tax exempt ones, for the purpose of reducing or avoiding taxes."

The gentleman who thought it equivalent to an admission of guilt to seek advice in making out his income tax return, may calm his fears. The Government expects him to avoid. It expects him not to *evade*.

GUESSWORK ABOUT KEYS

—SO UNNECESSARY

—SO COSTLY—SO WASTEFUL



LEARN ABOUT

TELKEE

TRADE MARK

The Only Standard System for the Proper Care of Keys

Whether a few keys or thousands of keys —TELKEE Devices offer you the perfect system for knowing your keys—knowing where they are when you want to use them. TELKEE tells to whom keys have been loaned and when they should be returned. TELKEE is a simple, effective SYSTEM of positive key control applicable to every class of building and business institution.

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658 So. Los Angeles St., Los Angeles, Calif.



Products of the World

Displayed at Paris Fair

More than 7,000 manufacturers will display their products at the Paris Fair, May 9 to 25, 1931.

Goods made in France and other countries the world over will be arranged attractively, systematically and conveniently to assure American buyers a profitable and time-saving visit.

For Information Apply

Official
French Chamber of Commerce
in New York

4 East 52nd Street, New York
Plaza 3-5718-5719

PARIS FAIR

May 9 *to* May 25, 1931

THROUGH THE



EDITOR'S SPECS

IN NATION'S BUSINESS for January there appeared a mistake in a figure. The contributor and the magazine were jointly responsible. However, such a slip is always challenged. This case was no exception.

Interstate Commerce Commissioner Claude R. Porter stated that the railroads today own 285,000 tank cars. We accepted the figure, assuming it to be accurate since it came from Mr. Porter, a recognized authority. Alas, we erred, and so did he.

W. R. Boyd, Jr., Executive Vice President of the Petroleum Institute wrote calling our attention to the slip, and wrote to Mr. Porter as well. In addition, Geo. G. Kuhn, Purchasing Agent, The United Light and Power Engineering & Construction Co., Davenport, Iowa, asks pleasantly if the figure is correct.

Humbly we took the matter up with the Department of Transportation and Communication of the National Chamber, whose offices are just next door to the editorial rooms of NATION'S BUSINESS. With the air of men who know all about such things as technical details and statistics, they informed us with proper dignity that there are only 11,041 tank cars owned by railways, while 150,804 tank cars are not directly owned by the carriers. We thanked them.

At least it is reassuring to know that nothing about the magazine can be done carelessly or hurriedly under the assumption that "nobody will notice it."

• Likes Hammond

TO THE EDITOR OF NATION'S BUSINESS:

John Hays Hammond's recent article on cheap silver is the only worth while article since your magazine came out. It is gratifying to hear so many eastern manufacturers bellyache about dull business when a man of Hammond's ability points to the quickest way out and a way that will eventually take place.

Senator Pittman recently proposed that



Jack *and* Jill *don't go up the hill now!*

THE path up the hill is overgrown with weeds. The old pail is full of rust. To-day, Jack and Jill step over to the Kelvinator, press the button, and drink heartily of the cool, refreshing water.

Kelvinator electric water coolers are *time-savers* and *money-savers* for modern business. In leading banks, offices, clubs and institutions, Kelvinator Coolers are doing an important job—and *doing it well.*

The new cooler, with its fully automatic operation, is remarkably efficient. You merely plug into the nearest electric light socket, connect the water mains—and *forget it!* It requires less space than a filing cabinet, yet it cools, to just the right temperature, from 3½ to 6 gallons an hour, depending on the Model. No other quality cooler to-day, size for size, has such capacity.



The 1931 Series includes Models of both the bottle and pressure types available in three different finishes—white, sage green, or mahogany crystal—any one of them an ornament to the most beautifully appointed office.

Call the Kelvinator representative in your city, or write the factory direct for detailed specifications.

KELVINATOR CORPORATION
14244 Plymouth Road, Detroit, Michigan
Kelvinator of Canada, Limited, London, Ontario
Kelvinator Limited, London, England

(205)

Kelvinator

KELVINATOR CORPORATION
14244 Plymouth Road, Detroit, Michigan

Gentlemen:

Please send me complete information about the new 1931 Line of Electric Water Coolers.

*Name*_____

*Street Address*_____

*City*_____ *State*_____

When writing to KELVINATOR CORPORATION *please mention Nation's Business*

UNIFORMED EMPLOYEES

are more efficient



National Candy Co.
— St. Louis —

The standardized plant uniform promotes:

1. Harmony
2. Cleanliness
3. Loyalty
4. Sanitation
5. Eliminates dress distinction with resultant petty jealousies.

ANGELICA UNIFORMS

Standard of the World
Since 1878

Angelica Uniforms have been adopted by many of the largest industrial plants in the country, such as Beech-Nut Packing Co., Fleischmann Co., E. I. DuPont de Nemours & Co., Procter & Gamble Co., Mars, Inc., Ward Baking Co., Kellogg Co., Owens-Illinois Glass Co., Parke, Davis & Company, and many others.

Improve Employee Morale

These institutions have found that uniformed employees work at a higher level of efficiency, have better morale and greater enthusiasm for their work. The plant uniform protects products for human consumption from street-clothing contamination. In instance after instance, standardized uniforms in widely varied industries have resulted in increased production, sanitation and lower operating expenses. May we show you what Angelica Uniforms can accomplish in your business?

Our branch nearest you will gladly furnish full details without obligation; or write for our catalog, showing many attractive, practical uniforms in white and colors.

ANGELICA JACKET CO.
St. Louis, Mo. • • • • 1481 Olive Street
New York, 104 W. 48th St., Dept. 81
Chicago, 1238 N. Clark St., Dept. BS

$500,000,000 in silver dollars be loaned China to construct a highway across China which would eventually help all cement and steel mills and the entire country.

But Senator Pittman got no response as the peasantry was too busy bellyaching about the drouth or prohibition. So let us hope times continue to get harder, as maybe the American people can still be slowed into thinking for themselves again as they once were capable of doing.

The entire world needs a full circulating medium of exchange and the only one is silver. When it is a fair price the entire world is prosperous.

TEX WILLIS

Texas American Syndicate
Dallas, Texas

LAST month NATION'S BUSINESS printed the experiences of a number of leading industries in dealing with the problem of maintaining employment, under the title "How Leaders Met the Labor Crisis." The United States Rubber Company was asked to include its experience but because of internal changes and the absence of officials it was impossible to get a statement from this company in time to be included in the article.

The following letter outlines the company's position with regard to employment stabilization:

The United States Rubber Company, with thousands of men and women on its pay rolls, has put no general wage reduction into effect. Due to the fact that this company has recently curtailed its working force through concentrating its manufacturing activities in fewer plants, there has been no need to make any further substantial cut in the number of workers. In one of its lines it has operated on a four-day week. By spreading out the work in this way it has kept more people at work in the small community which is entirely dependent upon the plant and has also served its own needs by retaining a larger trained force for the future.

C. S. CHING
Director of Industrial & Public Relations
United States Rubber Company
New York City

♦ Rare Stamp

TO THE EDITOR OF NATION'S BUSINESS:

We were very much interested to read in a recent NATION'S BUSINESS the story of the $10,000 Buchanan stamp on cover which was found by Miss Natalie S. Lincoln and handled by Mr. C. J. Gockeler of the District National Bank.

We were the purchasers of that stamp and we feel so long as the history was so carefully written up, that we were entitled to recognition as the purchasers.

J. J. KLEMANN, JR.
Secretary & Treasurer
Nassau Stamp Co.
New York, N. Y.

♦ Abolish Machines?

TO THE EDITOR OF NATION'S BUSINESS:

My talk with you the other morning in your office was very pleasant.

The discussion which ensued about the



COMPLETE PROTECTION WITH
CONTINENTAL
Chain-Link
FENCE

BUSINESS has no time for loafers or curiosity seekers who are fascinated by the imposing plants of modern industry. Billions of dollars are invested in modern business properties—protected by many miles of industrial fence. "Enter through the gate" is a courteous way of eliminating idle trespassers. Continental Chain-Link Fence will give perfect protection and lend dignity and permanence to your business.

Continental Chain-Link Fence is the result of thirty years experience in fence manufacture. It is made only from special "copper-bearing" steel, manufactured in our own open hearth furnaces and especially for fence manufacture. Every inch of wire is heavily *galvanized by the hot dipp process after fabrication.* Continental Chain-Link Fence is erected by trained experts, under the supervision of Continental Fence Engineers and every job is guaranteed to produce the satisfaction which inspired your purchase. We shall be happy to advise with you, study your needs and, without obligation, quote prices for your complete requirements. Write us now.

CONTINENTAL STEEL CORPORATION
KOKOMO, INDIANA

Manufacturers of Billets, Rods, Wire, Barbed Wire; Farm, Poultry, Lawn, and Chain-Link Fence; Black, Galvanized, Special Coated and Roofing Sheets.

development of labor-saving machinery is a subject of intense interest to me.

You spoke of the fact that there is a group of people who feel that if we are not careful we shall go too far in the development of labor-saving machinery, and do by machinery what should be done by hand. In my opinion, that is a fallacious argument. If we are to go back to hand-labor we must accept going back to a lower level in our standards of living.

Let's, for the sake of argument, abolish the telephone, the typewriter, the railroad train, and some of the other modern appliances and inventions. Do I need to carry my picture further to stir your own imagination as to what would happen? It is obvious that modern business could not be carried on without the typewriter. It is utterly impossible to conceive of it without the railroad train. Then we would have to go back into the more self-sustained community type of living, and do other things with our hands, with the result that we would all have to work harder, and have less for our labor than we have today.

L. C. STOWELL
President
Dictaphone Sales Corp.
New York City

• Macy and Six Per Cent

TO THE EDITOR OF NATION'S BUSINESS:

Your editorial in a recent issue of NATION'S BUSINESS entitled, "Who Shall Set the Price?" is one that strikes right at the heart of a problem that is affecting consumers in all lines very vitally today.

The department stores' endeavor to establish a reputation for low prices is aided by the fixing of the resale price of their products by manufacturers. If there were no standard price on Sheaffer pens the advertisement you reprint would have no point. There is probably no doubt that Macy's can sell Sheaffer pens for 6 per cent off the regular price and not lose money, but they cannot sell other nationally advertised and priced articles at less than their wholesale cost as they do and make money.

It is reported that Macy's profits for 1929 were the greatest of any department store in the country. This end could not have been attained by the above selling method alone. It is inevitable that in enough lines of merchandise undistinguished by manufacturers' names and without set prices, such exorbitant prices are charged as to more than make up for losses incurred elsewhere.

HENRY T. MORTENSEN
Secretary-Treasurer
Illinois Retail Jewelers' Assn.
Chicago, Ill.

• Workers Want Work

TO THE EDITOR OF NATION'S BUSINESS:

This is a letter from an ordinary working man who has been out of work for two months. When I see different writeups on unemployment, it makes me burn up to see where people seem to think that aid can come from State or Federal coffers. The people in this country do not want that kind of help. We want jobs to help us retain the pride we have been always noted for.

GEORGE E. STEWART
2015 Rundle Avenue
Lansing, Michigan



"With this trap on every steam unit *we'll stop thousands of dollars loss!*"

THE SAYING, "it's the little things that count," was never more aptly illustrated than by the experience of industrial executives with Armstrong Inverted Bucket steam traps.

Standardization on these traps has stopped losses that were often amazing. A packing company was able to cut out one of their two boilers when effective trapping stopped a big steam loss. A greenhouse reports a saving of a *carload* of coal annually for every Armstrong trap installed. A large hotel found that their steam consumption was 317,700 lbs. less in a month after replacing inefficient traps with Armstrongs on every piece of steam heated equipment in the kitchen. A laundry gets a return of $480 a year on a trap investment of $45. In all industries using power or process steam, substantial losses in steam expense have been stopped by these outstanding traps.

Traps on free trial. It need not cost you anything to find out what standardizing on Armstrong Traps will save you. If you do not already have Armstrongs (more in use than any other mechanically operated trap) we will gladly send you as many as needed on 90 days' free trial. A request will also bring you an interesting booklet that tells you why Armstrongs save money, how they operate, and prices.

ARMSTRONG
MACHINE WORKS
802 Maple Street Three Rivers, Mich.
NB 3 Gray *District Representatives in 42 Cities*

When writing to ARMSTRONG MACHINE WORKS *please mention Nation's Business*

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THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

Abnormal Prosperity Bred Inefficiency

AMID the welter of conflicting opinion as to business recovery, one fact stands out—business will improve—but only as the inefficiencies encouraged by boom times disappear. Prosperity breeds inefficiency. Conversely, depressions force out inefficient methods, inefficient workmen, inefficient management, inefficient firms. To this extent, therefore, depressions are healthy.

Concerns which recognized this truth and adjusted their business structure during 1930 are prepared to go ahead in 1931. Such firms are offering attractive merchandise, attractively priced. They are increasing their advertising appropriations. These firms will survive. More than that, they will grow.

Let's keep in mind that the consumer, not the dealer, carried the surplus inventory in the 1930 depression. That inventory is now nearing exhaustion. He must buy soon. But he will want 100 cents' worth of merchandise for every dollar he spends.

THEREFORE—it's your move, Mr. Manufacturer . . . Mr. Merchant. But let's not forget that the consumer has grown wary. He will respond to advertising in 1931 as he has responded in past years, but only if that advertising tells a truthful story of honest values in language he understands. Talk to him from the standpoint of his own interests. Show him that your merchandise will serve him better than his hoarded dollar and he will trade his dollar for your merchandise.

If you have taken full advantage of 1930, you have made your adjustments and eliminated the wastes bred by prosperity. As a result you are now offering good values soundly based on efficient management. This means that, whether you realize it or not, you are right now in the most strategic position you have ever occupied. Your weapon is Effective Advertising.

"LET'S GO AFTER BUSINESS"

E. S. BARLOW, *President*
Barlow, Feeley & Richmond, Inc.,
Syracuse, N. Y.

THERE IS PROFIT IN *THIS*, BUT LOSS IN *THIS*





Edison MAZDA* Lamps have the tested quality that assures *full value of the current consumed.* It pays to use them for the good light that contributes to efficiency.

IF YOU try to read in a dim light, your eyes soon become tired, and you grow drowsy. Working in dim light brings on similar effects.

Good light contributes *profitably* to the alertness of your employees. It is helpful in keeping off drowsiness and fatigue.

Where light is poor, there are likely to be *expensive* delays or mistakes.

Examine your lighting facilities, and if there is any question concerning their adequacy, write the Engineering Department, Edison Lamp Works of General Electric, Nela Park, Cleveland, Ohio. We shall be glad to send you free bulletins concerning proper light in your special kind of business.

*MAZDA—*the mark of a research service*

JOIN US IN THE GENERAL ELECTRIC PROGRAM, BROADCAST EVERY SATURDAY EVENING ON A NATION-WIDE N. B. C. NETWORK

EDISON MAZDA LAMPS

GENERAL ELECTRIC

When writing to Edison Lamp Works of General Electric *please mention Nation's Business*

Mountain Air - - - WHEREVER YOU ARE
WITH AMERICAN BLOWER VENTILATING EQUIPMENT





BAD BUSINESS STEPS OUT
When Electric Ventilation Steps In

BAD AIR is bad business. In auditoriums, theatres and recreation centers it annoys and discomforts patrons. In factories and shops it makes workers sluggish and slow. In stores, restaurants—in all types of business places—bad air offends customers. Eventually, stale, stuffy, devitalized air is sure to make business suffer. People can't feel at ease or enjoy themselves; workers can't do their best, when bad air, odors, excessive heat or fumes cause them constant irritation. What a difference American Blower Electric Ventilating Equipment makes! What a treat it is to work, eat or play where the air is clean, fresh and vitalizing as mountain air... where it is automatically changed at regular intervals.

Perhaps your place of business needs a "change of air". Perhaps bad air is holding *your* business back. Why not turn the tables on bad air, on the worry and loss of profits that often go with it? Bad business steps out when *electric ventilation* steps in. American Blower Electric Ventilating Equipment—in large businesses or small—costs no more than good lighting. An authorized American Blower Dealer or our Branch Office near you will be glad to inspect your ventilating needs.

AMERICAN BLOWER CORPORATION, DETROIT, MICH.
CANADIAN SIROCCO CO., LIMITED, WINDSOR, ONTARIO — Branch Offices In All Principal Cities

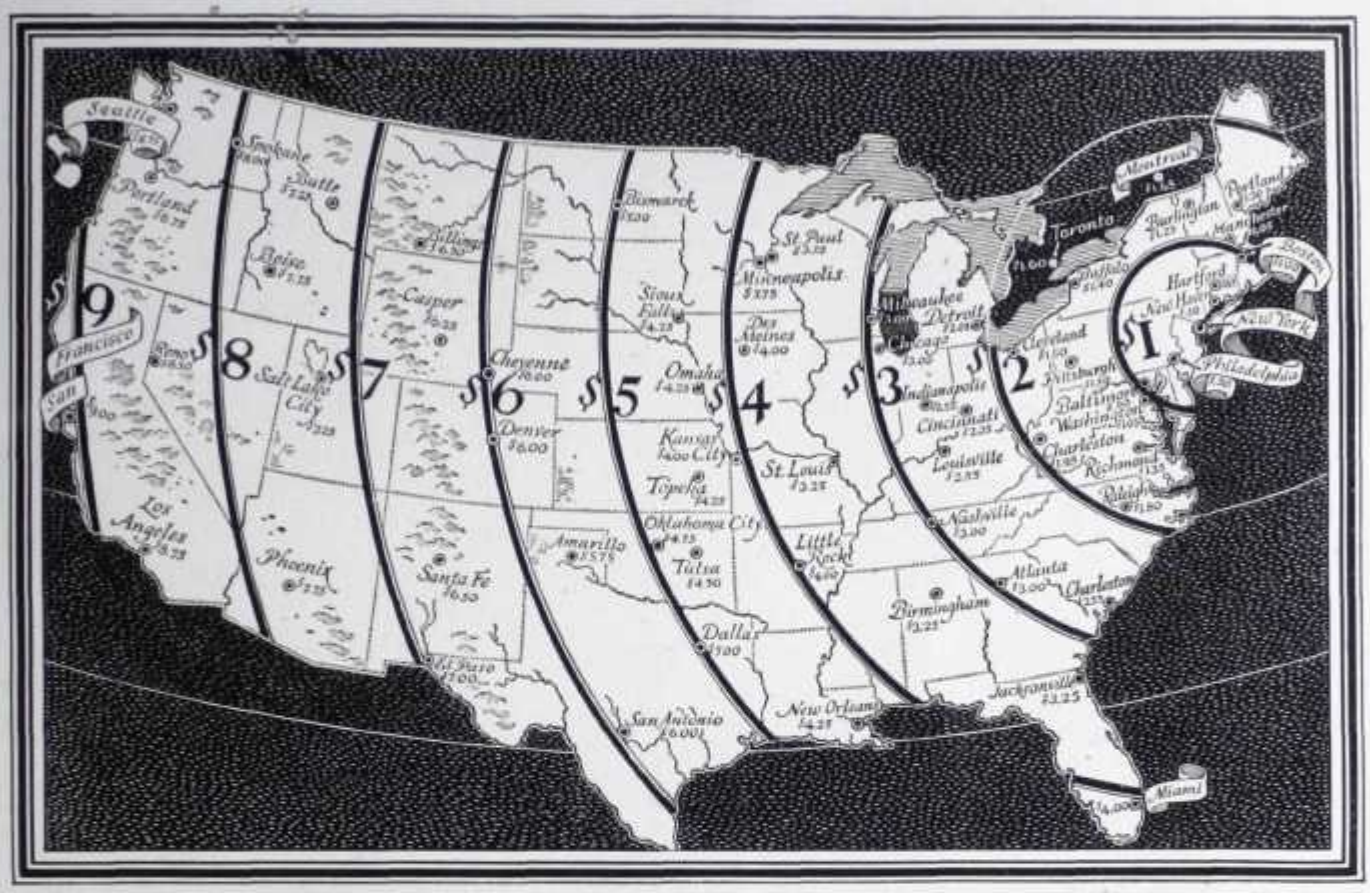
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American Blower
VENTILATING, HEATING, AIR CONDITIONING, DRYING, MECHANICAL DRAFT
MANUFACTURERS OF ALL TYPES OF AIR HANDLING EQUIPMENT SINCE 1881

When writing to AMERICAN BLOWER CORPORATION *please mention Nation's Business*

TELEPHONE!

Today's economical way of doing business



LONG DISTANCE RATES HAVE BEEN REDUCED FOUR TIMES IN THE PAST FEW YEARS. CALLING FROM COAST TO COAST NOW COSTS ONLY $9

RATES . . . low • • • SERVICE . . . better than ever

In today's keen competition, the telephone is getting things done in minutes. It allows a person to *accomplish more*. It *cuts costs*.

A sales executive analyzed the methods of the men under him. He found that the most successful were increasing their productive time by the use of the telephone. Others were spending only a few hours each week actually talking to buyers; the rest of the time they passed in ante-rooms waiting to see prospects and buyers.

Long Distance does away with unnecessary waste of time. It is a quick and direct pathway to greater sales opportunities. Whether it is used to make an appointment or to conclude a deal, it is one of today's efficient and economical ways of doing business.

The map shows some typical rates from New York City—station-to-station day rates for three minutes. Evening and night rates are even lower.

Telephone calls between cities cost little. Consider them in the light of what they get done and you will know why so many companies are instructing their people to *use Long Distance wherever possible.*

BELL SYSTEM

Sunshine Mellows Heat Purifies

LUCKIES are always kind to your throat

The advice of your physician is: Keep out of doors, in the open air, breathe deeply; take plenty of exercise in the mellow sunshine, and have a periodic check-up on the health of your body.



Everyone knows that sunshine mellows—that's why the "TOASTING" process includes the use of the Ultra Violet Rays. LUCKY STRIKE—the finest cigarette you ever smoked, made of the finest tobaccos—the Cream of the Crop—THEN—"IT'S TOASTED." Everyone knows that heat purifies and so "TOASTING"—that extra, secret process—removes harmful irritants that cause throat irritation and coughing.



"It's toasted"

Your Throat Protection—against irritation—against cough

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